

ader admired those chairs  
ght they were comfortable  
comfortable chairs," said  
e Department spokesman  
Hughes. So Shultz bought  
one with his own money and  
on it. Shultz made the pro-  
clamation Monday when the  
administration's official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

the President's 23 claimed  
d record. Focusing on the  
ndem playing the role of  
suring the movement in a  
today evening and coming  
the early hours of the  
hours later. The President  
held his State of the Union  
address in the White House  
Chamber. The President  
according to the White  
House official call

The Global Newspaper  
Printed Simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague and Marseille

WEATHER DATA APPEAR ON PAGE 18  
No. 31,599

# Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

PARIS, SATURDAY-SUNDAY, SEPTEMBER 22-23, 1984

ESTABLISHED 1887

## General Motors And UAW Reach Tentative Pact

**DETROIT** — The United Auto Workers union reached a tentative agreement Friday on a new contract with General Motors Corp., ending strikes that had killed more than 100,000 auto workers.

Both sides said the pact con-

cluding wages and benefits. The UAW reportedly sought an increase to \$28.

Union sources in Chicago said workers at GM will receive wage increases totaling 8 1/2 percent over the life of a new three-year contract.

The sources said General Motors has agreed to increase base wages by 3 1/2 percent in the first year of the contract, 2 1/2 percent in the second year and another 2 1/2 percent in the third year.

The union began striking GM plants Sept. 14 when the old contract expired. The strikes spread to 16 factories and were reportedly

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.

The dollar fell as a U.S. bank cut its key lending rate. Page 13.

U.S. inflation hit its biggest gain since April. Page 13.



Lebanese troops moving the coffin of an American victim of the bombing to a helicopter.

## Beirut Toll Lowered; Search at Annex Ends

**BEIRUT** — At least eight persons died in Thursday's bombing of the U.S. Embassy annex near Beirut, a U.S. official said Friday after rescue workers ended the search for bodies.

Lebanese officials gave higher figures, but all were much lower than the toll of 23 given by Lebanese authorities shortly after the bombing. A Lebanese military investigator, Elias Mousa, said the casualty toll, based on hospital and coroners' reports, was 12 dead and 72 wounded, mostly Lebanese.

The U.S. official said he believed only eight persons were killed and 36 wounded. Earlier, police reports had said that 23 persons had been killed and 60 hurt.

The explosives were set off outside the annex in Oakar, a Beirut suburb, when the driver of a van carrying them got past guards. Responsibility for the bombing was claimed by Islamic Jihad, a group that officials know little about. The driver of the van died in the blast.

[Richard W. Murphy, assistant secretary of state for Middle East affairs, arrived Friday night in Beirut to investigate the attack. Reuters reported, Mr. Murphy, who heads a special eight-member investigative team, said that among other things he would "discuss with the Lebanese government ways to prevent such terrorist acts recurring."

In Washington, Senator Charles H. Percy, Republican of Illinois, chairman of the Senate Foreign Relations Committee, ordered a committee investigation of the bombing.

The U.S. Embassy's deputy chief of mission, Stephen R. Lynne, said the search for victims was over. "We have accounted for all Americans and foreign service nationals," he said. "All we are doing now is removing classified material for the sake of security."

Mr. Lynne put the U.S. casualties at two killed and 16 wounded seriously enough to be hospitalized. The Pentagon identified the American dead as Army Chief Warrant Officer Kenneth V. Welch, 33, and Navy Petty Officer 1st Class Michael Ray Wagner, 30, both embassy staff members.

Another U.S. official in Beirut said that the bodies of the two Americans would be found, but that "there are people we're not going to

find any part of." The blast injured the U.S. ambassador, Reginald Bartholomew, and Ambassador David Miers of Britain, neither seriously.

Speaking to the NBC television network, Mr. Bartholomew said the bomber zigzagged through anti-vehicle barricades after shooting a Lebanese guard. Guards fired at

the man and he slumped over the wheel before the bomb went off.

**Correspondent Freed**

Jonathan Wright, a Reuters correspondent who disappeared Aug. 29 in Lebanon, was released unharmed Friday, Reuters reported from Beirut. Mr. Wright, 30, a Briton, said he had not been able to identify his captors.

It would seem that security plans for the embassy annex were not completed or were not fully implemented, said a House speaker, Thomas O'Neill Jr.

"Why they were able to get in there, I can't understand. It looks like a repeat of what happened to our 241 marines."

Those marines were killed Oct. 23, when a driver of a truck carrying explosives crashed it into the headquarters of a marine peace-keeping unit. At the same time, 58 French troops were killed by another suicide bombing. A Pentagon fact-finding commission later criticized the marines for not having provided tighter security, particularly because a car-bomb had destroyed the old U.S. Embassy and killed 63 people there in April last year.

But the State Department spokesman, John Hughes, said the embassy cannot erect the same kind of barriers that a military installation might use.

"One thing you have to remember is that this is an embassy. It is not a military compound or a military barracks or a fort," he said. "An embassy has to operate as a public building. It has to be open to the public. It's the window of the United States to the world."

Richard W. Murphy, assistant secretary of state for Middle East affairs, who briefed senators on the bombing before being dispatched

(Continued on Page 2, Col. 5)

## U.S. Military Budget Compromise Set

By Jonathan Fuerbringer  
New York Times Service

**WASHINGTON** — Congressional leaders and the White House have reached a compromise on the military budget that would delay any vote on production of additional MX missiles until next year and would set military spending for 1985 at \$292.9 billion, an increase of about 5 percent after inflation.

The compromise would require both the House and Senate to vote twice next April on whether to go ahead with MX production. Opponents of the MX need to win only one of the votes in either branch to block further production, while the Reagan administration and MX supporters need to win all four votes if additional missiles are to be produced.

According to Democrats, the compromise would allow for the production of 15 new missiles if supporters win next year's vote. Last year, Congress put up the money for production of 21 missiles.

House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, and the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, and the White House reached agreement Thursday after a long deadlock, which held up action not only on the military budget but also on the overall budget resolution.

The agreement appeared to be a major victory for House Democrats and opponents of the MX. After the announcement, Mr. O'Neill said: "In my opinion, the MX will never be deployed. I think it is a victory for the House. I

suppose that the people in the Senate think it's a victory on their side."

Mr. Baker did not declare victory for Senate Republicans or the White House. When asked if they took a "shellacking," an aside to Mr. Baker said, "I don't agree at all," adding that the Republicans "got a little bit more money."

"The White House is pleased with the compromise," a Reagan official said. "We're hopeful that the conference committee can meet again soon so that they can send a bill to the White House" before Congress adjourns early next month.

The agreement on the military budget still has to be approved by both the House and Senate, but aides to the leadership on both sides said Thursday that they expected this to be done. The settlement is also expected to open the way for Congress to vote on other appropriations bills and a budget resolution before adjournment.

Mr. Baker and Mr. O'Neill, according to their staffs, agreed only on the MX and the military appropriation. But they also discussed several other issues, which they expect to be worked out in the conference on the military authorization bill. These include two tests of anti-satellite weapons and a report on the Pentagon on how to distinguish between sea-launched cruise missiles with and without nuclear warheads. With the agreement for the study, there would be no interruption of production or deployment of the cruise missiles.

The accord was announced only after Mr. Baker got the concur-

rence of Defense Secretary Caspar W. Weinberger and the president.

The White House had originally asked for 40 new MX missiles without any restrictions and then agreed to the Senate approval of 21 missiles without restrictions. In the deficit-reduction package that Mr. Reagan and the Senate leadership accepted last spring, the White House agreed to a 7.8-percent increase in military spending in the fiscal year 1985, which begins Oct. 1, down from the president's initial request for a 13-percent increase.

The House had voted for a 3.5-percent increase in the military budget for 1985 and just 15 new missiles with one affirmative vote by both branches necessary next year to go ahead with production.

The agreed spending level for the military of \$292.9 billion compares with a projected \$264.2 billion in 1984. The original House figure was \$283.7 billion and the Senate level was \$299 billion.

Under the agreement, \$2.5 billion would be for the MX, with \$1.5 billion for expenditures related to production. The \$1.5 billion would be used to actual production and deployment would not be available unless the House and the Senate each voted twice to release it.

Both the votes on the MX are supposed to come before the Easter recess and within a few days of each other. The first would be on a resolution of approval of the MX authorization. The second would be approval of the release of the \$1.5 billion for production of the missiles in the appropriation bill.

## U.S. Report On UNESCO Criticizes M'Bow's Role

By Paul Lewis  
New York Times Service

**PARIS** — A six-month U.S. inquiry into UNESCO has drawn a picture of a highly centralized, badly managed organization where power is concentrated in the hands of the director-general, Amadou Mahtar M'Bow of Senegal.

The still-confidential report was prepared this summer by the General Accounting Office, the investigative arm of the U.S. Congress.

The inquiry began after the United States said it would withdraw from the United Nations Educational, Scientific and Cultural Organization unless it tightened management, cut spending and ceased supporting what it considered to be anti-Western causes, including attempts to curb press freedom.

[A UNESCO spokesman, Dilip Padgaonkar, said Friday the release of the study "before it was made available to UNESCO" was "psychological warfare" aimed at trying to destroy the organization's universal character. The Associated Press reported from Paris.

Western news organizations in Washington obtained copies of the draft report that was submitted this week to UNESCO, the State Department and some congressmen for comments to be included in the final version.

[Mr. Padgaonkar said both UNESCO and the General Accounting Office had decided not to make any comment on the draft report until it had been completed.]

The Reagan administration had urged the General Accounting Office to confine itself to reviewing UNESCO's administrative practices and to avoid focusing its inquiry on individuals. Nevertheless, the report blames the director-general himself for the questionable practices it found at the Paris headquarters.

In Washington, Representative James H. Scheuer, a Democrat of New York, who negotiated the agreement under which UNESCO permitted the inquiry, said in a telephone interview that the report presented "a disturbing picture of an agency which has steadily strayed from its original purposes and can only be described as a bureaucratic mess."

The investigators do not draw conclusions about the future of UNESCO.

But by the early 1950s he had lost top billing and went months without a movie part after appearing opposite a chimpanzee in "Bedtime for Bonzo."

By early 1954 parts were so scarce that he worked with a Las Vegas nightclub troupe, singing and dancing with a quartet called the Continentals and groups known as the Adorables and the Honey Brothers.

It was about then that the agent, Mr. Schreiber, sold GE on the idea of hiring Mr. Reagan.

In late 1974, just before he left the governor's office, Mr. Reagan made one more land purchase. Mr. Wilson said Mr. Reagan was visiting his Santa Barbara spread one day when he asked, "Can you find us a place in this area?" The current Reagan ranch in the Santa Barbara mountains northwest of Los Angeles cost \$277,000, less than the price he received for the sale of his Riverside property.

When Mr. Reagan returned to private life in 1975, he and Peter Hannaford, his public affairs adviser during his last term as governor, and Michael K. Deaver, the chief administrative aide, went into business together. Mr. Reagan gave syndicated radio commentaries, wrote newspaper columns and went on the lecture circuit.

When he ran against President Jimmy Carter in 1980, Mr. Reagan's trustees sold his stocks and put the proceeds, \$740,000, into certificates of deposit. When he was elected president they put that money into a blind trust administered by Raymond J. Armstrong, who said in a recent interview he still has not met the president.

## NATO Chief Raises Toxic Arms Issue

By Michael Getler  
Washington Post Service

**HILDESHEIM, West Germany** — The NATO Commander, General Bernard W. Rogers of the United States, coupled a call Friday for production of new chemical weapons with a warning that the current rules for their use do not place enough responsibility on political authorities.

In a discussion with reporters about the rules under which some weapons can be authorized for use, General Rogers said that "as far as the use of nuclear weapons are concerned, I have no problem with the responsibility of political authorities to bear the full responsibility for release of nuclear weapons."

But he made clear that he wanted government officials to have the

same responsibility for the use of chemical weapons.

"Today, I do have problems with the role political authorities would play in the release of chemical weapons," he said.

General Rogers appeared here at a press conference linked to the British military's Exercise Lionheart, which is part of several NATO maneuvers this month in West Germany. But much of the questioning centered on his role as supreme commander of North Atlantic Treaty Organization forces and on the use of chemical weapons.

Thursday night, the commander of the 1st British Corps, Lieutenant General Martin Farndale, said that "as a soldier, yes, I would like to have a retaliatory capability" if attacked with chemical weapons. But, like other officers, he has said

that such a decision was to be made by the British government.

Britain got rid of its chemical weapons several years ago and has given no indication it will put such weapons back in its arsenal.

General Rogers strongly suggested that the problem over the use of chemical weapons lay in the sensitivity of the issue within the alliance.

On nuclear weapons, he said, the guidance he works under from political authorities is that "before you lose the consequences of your defense," which means deep penetration at several points by enemy forces. "You must request the release of nuclear weapons" from the government so that "a determined decision" can be made with adequate time and consultation.

But with chemical weapons, General Rogers said that while



General Bernard W. Rogers

there were approved release procedures and they have assigned me the responsibilities to retaliate in kind after chemical weapons are

(Continued on Page 2, Col. 5)

## From Hollywood to Politics, Wealthy Friends Managed Reagan's Finances

By Charles R. Babcock  
Washington Post Service

**WASHINGTON** — The month after he was elected governor of California in 1966, Ronald Reagan sold his ranch in the hills above Malibu Beach to 20th Century-Fox Corp. Mr. Reagan said he sold the ranch because he could not afford to pay the property taxes with his \$44,000-a-year state salary.

The 55-year-old actor-turned-politician made about \$1.8-million profit on the deal, which two of his former movie agents negotiated with the studio. That one transaction, rather than his income from movies and television, is the basis of his net worth, estimated at close to \$3 million.

A detailed examination of Mr. Reagan's available financial records and interviews with some of his advisers show that two other real estate sales also figured heavily in the accumulation of the president's wealth.

In 1976 he sold another ranch in Riverside County for \$856,000, more than half a million dollars more than he paid for it in 1968. And, in 1982 he sold his Pacific Palisades home for \$1 million, more than \$800,000 more than he had put into the house over the years.

Last year, the Reagans reported earning \$423,000, including \$86,000 in interest and \$29,000 in dividends from their blind trust. They paid \$129,000, about 30 percent of their income, in federal taxes.

Mr. Reagan's tax returns indicate that at the end

of 1983 the trust totaled about \$1.37 million. Most of the income has been in the form of interest rather than stock dividends.

Over the years a group of wealthy and powerful friends such as William A. Wilson, now U.S. ambassador to the Vatican, have guided Mr. Reagan's investments and managed his money.

His Hollywood agents from MCA Inc. paid close attention to his welfare from his earliest days in the movies until after he switched to politics. MCA's founder, Jules C. Stein, and Mr. Reagan's longtime agent, Taft B. Schreiber, both now dead, negotiated the sale of the Malibu ranch to Fox in December 1966. Mr. Stein was one of the three original managers of a trust set up the same month to handle Mr. Reagan's finances.

And in 1969, Mr. Stein appeared to come to Mr. Reagan's aid by stepping in to buy the remaining land he owned at Malibu for \$165,000. Mr. Reagan had provisionally used the land to help finance the purchase of the ranch in Riverside County, but would have had to raise cash for the new ranch if the Malibu land had remained unsold.

The group of California millionaires also helped watch over his personal finances.

Mr. Wilson, longtime personal attorney William French Smith, who is now U.S. attorney general, along with the late Justin Dart, head of Dart & Kraft, a dairy and packaged foods company, managed the trust for him in the 1970s. Mr. Wilson also negotiated the purchase of two ranches for Mr. Reagan.

After Mr. Reagan was elected president, Mr. Dart and Mr. Smith set up Mr. Reagan's blind trust and selected its manager, whom Mr. Reagan never met before entrusting him with \$1.2 million.

This review of Mr. Reagan's wealth also shows that, like many other politicians, his business and political careers have complemented each other.

Part of his job as the \$120,000-a-year host of the General Electric Theater television show in the 1950s was to tour company factories and give speeches to workers. He polished the speaking style and developed some of the pro-business, anti-tax views that have been trademarks since.

When Mr. Reagan returned to private life in 1975, after two terms as governor, he again combined a lucrative business life with political barnstorming. And after failing to unseat President Gerald R. Ford as the Republican nominee in 1976, he set up Citizens for the Republic, the prototype of the presidential political action committee. The committee paid for his political travels, allowing him to make paid appearances for Republican candidates between speeches before industry groups.

Through the 1940s and 1950s, Mr. Reagan's acting career had distinct financial highs and lows. In his autobiography, "Where's the Rest of Me?," he described how an MCA agent, Lew R. Wasserman, now the company chairman and a major Democratic Party fund-raiser, got him a million-dollar contract after his critically acclaimed role in "King's Row" in 1941.

## Islamic Jihad: Unanswered Questions

By Richard Harwood  
Washington Post Service

**WASHINGTON** — The U.S. Embassy bombing in Beirut Thursday left two troubling questions: • When and where will terrorists in the Middle East next strike against the United States? • Who or what is the Islamic Jihad organization that claimed responsibility for Thursday's tragedy and for the bombings last year of the U.S. Embassy and the U.S. Marine headquarters in Beirut?

The first question is not entirely hypothetical. The bombing Thursday followed a telephoned warning from Islamic Jihad on Sept. 7 that an attack on "one of the vital American installations in the Middle East" was imminent.

A week later another caller to Western news agencies in Beirut said that Islamic Jihad was prepared to strike at major American cities and for the U.S. facilities in Latin America and Europe. In a reference to President Ronald Reagan, the caller added: "You, governor of the White House, await a painful blow before your re-election, more painful than our blows against your embassy and your military headquarters in Beirut."

The link between Iran and the U.S. Embassy bombing in Kuwait last December was firmly established by Kuwaiti authorities. Some of the terrorists involved in the operation, as well as their weapons, entered Kuwait directly from Iran. U.S. and Israeli intelligence sources also believe that the precise orders to carry out the attack were delivered by a courier from Iran.

Following the capture of those involved in the bombing, Tehran radio repeatedly demanded their release and threatened Kuwait with retaliation if they were tried and punished.

The Kuwaiti investigation also revealed that the bomber who died in the embassy attack was a member of an Islamic sect, Al Dawaa, which is based in Iran and which has been linked — again, circumstantially — to the bombing of the marine headquarters in Beirut.

This connection centers on Sheikh Mohammed Hussein Fadlallah, a Lebanese Shiite Muslim leader who, some years ago, founded the militant Hizb Allah (Party of God) in Beirut. He incorporated the Al Dawaa sect into his party and, according to U.S. and Lebanese intelligence authorities, gave a religious blessing to two terrorists the night before they set out to bomb the marine headquarters.

One of Sheikh Fadlallah's followers and military allies is Hussein Musavi, who the intelligence authorities believe was also implicated in the marine bombing. One of Mr. Musavi's cousins is said by these authorities to have been in-

involved in obtaining trucks for the bombing and to be the active head of a group called the "Hussein Suicide Commandos."

The ties between these men, the Syrians and the Iranians are the subject of other reliable intelligence reports, which have implicated 14 individuals in the Beirut bombings in 1983. In addition to Sheikh Fadlallah and the two Musavis, the 14 include a Syrian Army colonel, a former senior senator for the Palestine Liberation Organization, Syrian members of the Syrian-controlled Saika (Thunderbolt) faction of the PLO and veterans of other terrorist groups.

The circumstantial evidence of the involvement of these people in the bombings of the marine headquarters and the U.S. Embassy was substantial, according to the intelligence services. But it was insufficient, according to one ranking intelligence officer, to make an inroad court case and was thus insufficient to support retaliatory strikes.

Sheikh Fadlallah, who is often linked to Islamic Jihad in press speculation, recently granted an interview on the subject to an Associated Press reporter in Beirut, Samir Ghattas. Sheikh Fadlallah insisted to Mr. Ghattas that he had no connections with the violence and said he was not convinced that the Islamic Jihad organization actually exists.

"As an organization," he said, "we could not discover even 1 percent that it exists. It may represent only one thing. It may represent several structures using it as a cover. They could be Islamic ... or some people who want to give Islam the brand of terrorism." Those people, Sheikh Fadlallah said, could be Western intelligence agents or Lebanese Christians.

Last month, Islamic Jihad claimed responsibility for planting mines in the Red Sea. Sheikh Fadlallah ridiculed that claim. "This organization must be immune with its sophistication that it mined the Red Sea and all world nations were unable to find a clue," he said.

The lack of unambiguous information about the Beirut bombings has been blamed, in part, on deficiencies in the U.S. and Lebanese intelligence services. A recent study indicated that the CIA, in particular, has been making serious efforts to remedy some of these deficiencies by devoting more money and more people to the effort, by creating small "strike forces" that could respond to terrorist attacks and by establishing a center for evaluating intelligence on terrorism.



# West Bank Jews and Arabs Unhappy With New Government

By Terence Smith  
New York Times Service

HEBRON, Israeli-Occupied West Bank — The Arab residents of the West Bank and the Jewish settlers who live among them rarely see things the same way, but now they are agreed about one thing: Neither group has much use for the policies espoused by Israel's new coalition government.

In interviews here and in other West Bank towns, militant Jewish settlers expressed their dismay over the government's policy of restricting the establishment of new settlements.

Rabbi Eliezer Waldman, a founder of the settlement of Qiryat Arba overlooking Hebron, said he and his colleagues would be "on the government's neck" to press ahead with more settlements.

At the same time, Arab leaders made it clear that they had little hope that the carefully balanced coalition would have the political muscle to change the situation very much.

"This government is like a car with two drivers," said Elias M. Freij, the moderate Arab mayor of Bethlehem. "It can't go anywhere."

Few people in the West Bank believe the government will be effective in dealing with either the settlements or the status of the occupied territories.

On other subjects, such as the need to restrain the overheated economy or the desire to pull Israeli troops out of Lebanon, there is a broad consensus in the Labor-Likud coalition.

But on the issue of the settlements, as well as on the future of the West Bank and the Gaza Strip, the two main partners of the coalition simply agreed to disagree. They struck a compromise under which work would be started on five or six of the less controversial of the 27 new settlements approved by the Likud government.

Decisions on any other settlements will have to be made by the 10-member "inner cabinet," which is evenly divided between Labor and Likud members. Labor members have stressed that this gives them a veto over more new settlements. But the Jewish settlers do not see it that way.

"I'm convinced that the settlement process that has already established over 100 settlements in Judea and Samaria with some 35,000 residents will not be



Mayor Elias M. Freij

stopped," the Rabbi Waldman said. He talked for more than an hour in his office in a yeshiva in Qiryat Arba, a settlement that was begun on the outskirts of this city in 1968 and now has grown into a town of 5,000 people.

"If the government doesn't put in the money," he said, "then the settlers will."

Rabbi Waldman said that two leading Likud cabi-

net members, Deputy Prime Minister Yitzhak Shamir and Trade Minister Ariel Sharon, had promised the settlers that Likud would dissolve the coalition "if they find they can't go ahead with more settlements."

"We'll make sure they stick to that pledge," he said. The rabbi said that if necessary, the settlers were prepared to establish unauthorized settlements without waiting for government action. He recalled that Qiryat Arba began that way but eventually gained approval as a permanent settlement from a Labor-led government.

"We won't let Labor forget that some of the largest and most important settlements were established when they were in power," he said.

Rabbi Waldman added that a litmus test for the new government, so far as the settlers are concerned, would be the continued development and restoration of the old Jewish quarter in the center of Hebron.

"The Likud government approved it," he said, "but will the money be forthcoming under the new government?"

Rabbi Waldman will be able to question the government in parliament, to which he was elected in July as a member of the rightist Tehiya Party. "We'll be on the government's neck on this," he said.

A dozen miles to the north, Mayor Freij sat in his office in Bethlehem. A member of the municipal government since Israel occupied his town 17 years ago, he has dealt with seven Israeli governments, led by both Labor and the Likud.

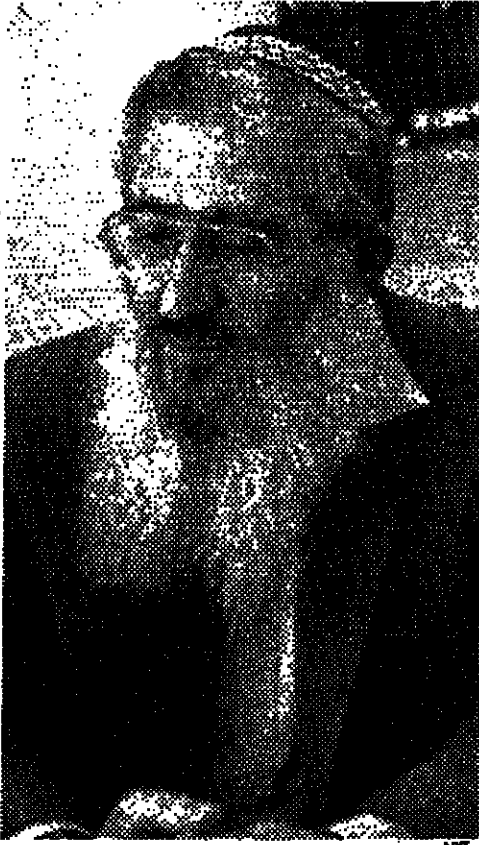
"I don't envy Mr. Freij's job," he said, referring to Shimon Peres, the new Labor prime minister. "He has to balance not just Labor and Likud but also the smaller parties, each of which is trying to protect their own interests."

The mayor said he held out little hope that Mr. Peres's invitation to King Hussein of Jordan to come to the peace table would actually lead to negotiations.

"The real question is what does this new government mean by peace," he asked. "Creeping annexation of our land, more colonialism, more settlements? That's not peace."

"The only useful negotiations," he said, would be "total peace for total withdrawal." Even that would be "a bitter pill" for many Arabs to swallow, he said.

In the meantime, Mayor Freij said, talks should be held to achieve some kind of autonomy for the resi-



Rabbi Eliezer Waldman

dents of the West Bank. Such a plan offers "the last chance we have," he said, "and even this chance will be gone two years from now."

The mayor said he doubted that the new Israeli government could even begin autonomy talks without producing fatal divisions in its own ranks. "I'm afraid even autonomy is more than they can manage," he said.

## WORLD BRIEFS

### French, Italians Stay in Gulf of Suez

CAIRO (AP) — French mine-hunters will extend their operations in the Gulf of Suez for up to a week after finding more "mine-like objects," and Italian units were returning to the gulf on Friday for a renewed search after a Saudi merchant ship was damaged by an explosion.

A French Embassy source said that two French mine-hunting ships and two support vessels searching the southern sector of the Gulf on Thursday found "a few mine-like objects that appear to be part of an old mine field." He said the objects were found close to where the French located two Soviet-made mines dating from the 1973 Arab-Israeli war, one of which was detonated last Friday and one on Thursday.

An Italian Embassy spokesman, who requested anonymity, said the Italian contingent, including the mine-hunters Castagnò, Frassinò and Loto and the support vessel Cavazzale, would return to the Gulf on Friday from a search operation in the Suez Canal. He said Egyptian authorities requested this Wednesday following the discovery of a mine by British units there.

### UN Cyprus Talks Are Bogged Down

UNITED NATIONS, New York (NYT) — Two weeks of talks involving Greek and Turkish Cypriot leaders here have ended without apparent progress, officials said. Further discussions have been scheduled for Oct. 15.

The talks, which ended Thursday, were held separately with Javier Pérez de Cuéllar, the UN secretary-general. They were the first contact in five years between the Greek Cypriot president, Spyros Kyprianou, and Rauf Denktaş, leader of the Turkish population.

A UN official said neither side had gone much beyond outlining its position. He added that "they will have to do a lot better" if the October discussions are to be productive.

### U.S., Soviet Astronauts Form Group

PARIS (IHT) — A group of former U.S. and Soviet astronauts have agreed to form an organization to promote humanitarian uses of outer space and space technology, a U.S. member of the group said Friday.

Membership in the group, which plans annual private meetings, will be open to the approximately 100 people who have traveled in space, regardless of nationality. The organization was formed at a meeting Sept. 7-9 near Paris. It was attended by three Soviet space veterans and three retired U.S. astronauts.

The U.S. astronauts are Doan F. Eisele, Dr. Edgar D. Mitchell and Russell L. Schweickart. The cosmonauts are Alexei Leonov, Oleg Markov and Yuri Romanenko.

### Graham Lands Open Soviet Churches

MOSCOW (Reuters) — The Reverend Billy Graham, a U.S. evangelist, said Friday at the end of a 12-day preaching tour of the Soviet Union that it was "wonderful" how many churches were open there.

Mr. Graham arrived in Moscow on Sept. 9 as guest of the Russian Orthodox Church. Once known for his fiery anti-communist remarks, he said that some people in the West wrongly thought there was no religion in the Soviet Union and that he now believed there was a measure of religious freedom there.

Mr. Graham paid an official visit to Moscow in 1982 and caused controversy in the United States when he was quoted as praising the amount of religious freedom he found in the Soviet Union. On this trip, Mr. Graham said he discussed with Soviet officials the plight of Baptists who have refused to register with the government and face imprisonment or are in jail. He would not elaborate.

### U.S. Army Paid Too Much for Guns

WASHINGTON (NYT) — The U.S. Army paid at least \$34 million more than necessary in a \$1.5-billion contract for 276 Sergeant York anti-aircraft guns, Pentagon auditors have concluded.

A report from the Defense Department's inspector general was released Thursday by Representative Dennis Smith, a Republican of Oregon. It said that too much emphasis was placed on accelerating the pace of the Sergeant York program and therefore "negotiations were not conducted in a way that ensured that the interests of the government were fully protected and fair and reasonable prices were obtained."

The Sergeant York, two radar-aimed cannons mounted on a tank chassis, is manufactured by Ford Aerospace and Communications Corp. in Newport Beach, California. The army plans to acquire 618 of the guns by 1989 at an estimated price of \$4.5 billion.

### Fatah Delays PLO Council Session

TUNIS (Reuters) — Yasser Arafat's al-Fatah organization announced Friday that it was postponing a long-delayed session of the Palestine National Council, the Palestinians' parliament-in-exile, which was to start in Algiers next Friday.

The central committee of Fatah, the dominant faction in the Palestine Liberation Organization, issued a statement after a two-day meeting here saying that it was still determined to hold the session. It said the postponement was needed to give time for further contacts with other Palestinian groups and give Algeria and South Yemen, which are trying to remilitarize the PLO, more time to normalize relations between Arabi loyalists and Syria.

Mr. Arafat's followers had been pressing for an early meeting of the council, on which they have a clear majority, confident that it would reaffirm his leadership of the organization. PLO officials say that President Hafez al-Assad of Syria is adamant that the council should not meet before Mr. Arafat is removed as chairman.

### French Court Rejects Basques' Plea

PARIS (AP) — The French appeal court rejected an appeal Friday by seven Basques, who have been on a hunger strike for more than 40 days to be spared extradition to Spain.

The court approved an earlier extradition order by a court in the southern city of Pau.

The final decision on whether the men will be extradited, or possibly expelled to another country, will be made by the French government.

### For the Record

A French television journalist captured by Soviet troops in Afghanistan is alive and well and his release will be negotiated soon, informed Soviet sources in Moscow said Friday. Jacques Abouchar, a correspondent for the Antenne 2 network, was captured after an ambush on Monday, according to a French journalist guiding the team.

An heir to the Ujigoh Co. Roger A. Gauntlett, 43, originally sentenced to chemical castration and five years probation for raping his teen-age stepdaughter, was rescheduled Friday in Kalamazoo, Michigan, to five to 15 years. The original sentence in January 1984 had provoked a public outcry, with some people saying it was too lenient.

Grenada's first general election since 1976 has been scheduled by the interim government for Dec. 3, Sir Paul Scoon, the governor general, announced Thursday.

Dennis Banks, the Indian activist who fled South Dakota in 1975 after being found guilty of riot charges, pleaded not guilty Friday to a federal count of flight to avoid confinement after conviction. Mr. Banks awaits sentencing Oct. 8 on state convictions of riot and assault stemming from a 1973 demonstration at the Custer County Courthouse.

### S. Africa Opens Hearing on 6 Taking Refuge in a Consulate

PIETERMARITZBURG, South Africa — Lawyers for six South African fugitives who took refuge in the British consulate in Durban more than a week ago began a legal battle Friday to overturn detention orders issued by the authorities.

One of the lawyers, Ismail Mohamed, told the Supreme Court that the law and order minister, Louis Le Grange, who signed the orders, could not have reasonably concluded that the six men were trying to create a revolutionary situation or were endangering the maintenance of law and order.

The six dissidents sought refuge in the consulate Sept. 13 to escape arrest.

The six men, five Asians and one black, belong to the Natal Indian Congress and the United Democratic Front. The two parties campaigned for a boycott of elections last month to a new house of Parliament that allows a minor parlia-

## U.K. Liberals Urge Removal of Cruise

By R.W. Apple Jr.

LONDON — The annual Liberal Party assembly has called for the removal of American cruise missiles from Britain despite the protests of David Steel, the Liberal leader.

The action Thursday dealt a blow to the solidarity of the Liberal alliance with the Social Democrats since the new Liberal stance is in direct opposition to that of the Social Democrats, who favor the inclusion of cruise missiles in arms talks.

This will make it very difficult for the two parties to work out the common manifesto, or platform, on which they hope to run next time.

The assembly also advocated the adoption of a formal "no first strike" nuclear pledge by all countries of the Western alliance.

Mr. Steel had implored the delegates to reject the motion urging the removal of the U.S.-manned

weapons "forthwith." He made his speech from the floor, breaking with long-standing political tradition by descending from the platform of the convention hall in Bournemouth, a resort town on the Channel.

But despite Mr. Steel's forceful words, in which he invested much of his considerable political capital, the assembly backed the motion by a vote of 611 to 556.

However, the delegates backed by a similarly close vote, 643 to 545, a motion calling for the temporary retention of the British nuclear deterrent in the form of the obsolescent Polaris missiles, pending their inclusion in disarmament talks.

Mr. Steel had warned that Liberal support for the abandonment of both cruise and British nuclear weapons, as advocated by the Labor Party, would cost the alliance as dearly as it cost Labor in the 1983 general election.

"The electorate has demonstrat-

ed time and again," said the Liberal leader, "that it will not vote for any party that dodges its basic responsibilities for defense. Be very careful. Think about what you are doing."

Mr. Steel had advocated a compromise measure, backed by most of the Liberal members of Parliament, calling for a freeze on the further deployment of cruise missiles in Western Europe and for a system of joint control by the United States and the countries in which they are based.

Mr. Steel had made it clear before the debate that he reserved the right to ignore the vote if he thought it in the best interests of the party.

■ Labor Wins in London

The Labor Party coasted to easy victories early Friday in London local elections which were seen as a referendum on government plans to abolish the capital's governing authority, Reuters reported.

## Bokassa Says He's Hard Up And Homesick

The Associated Press

HARDICOURT, France

Five years after losing his throne as Central African emperor, Jean-Bédel Bokassa said he is now so poor that his children are foraging for food on the grounds of his chateau, and he wants to go home.

Mr. Bokassa was accused of atrocities before he was overthrown in a 1979 coup. On Thursday, he appealed for sympathy at a news conference he called at the chateau west of Paris, where he has lived for nearly a year.

Mr. Bokassa, 64, angrily denied charges that he once ordered the slaughter of schoolchildren. He was sentenced to death in absentia in December 1980 for the murders.

At the chateau, a stock of rice, dried fruit and flour were visible on kitchen shelves, but Mr. Bokassa said the nine children with him were obliged to scrounge for wild fruit and mushrooms. He said he must manage on about \$750 a month from a pension earned during his French military service.

## Church, State in Poland Agree on Farming Fund

Reuters

WARSAW — Poland's Roman Catholic Church and the Communist authorities have reached provisional agreement on setting up a Western-supported church fund to aid private agriculture in the country, a church spokesman said Friday.

The program involves securing \$1.8 billion over a five-year period, primarily from the United States and Western European countries, to help private Polish farmers buy urgently needed items such as chemicals, machines and fertilizers.

Slawomir Siewek, a spokesman for the church in the talks, said Catholic and government experts agreed in principle on Thursday on the form of a law that would set up the fund.

In contrast to the rest of Eastern Europe, Polish agriculture is predominantly private. Individually owned and operated farms account for 75 percent of the arable land and for more than 80 percent of production.

Mr. Siewek said the experts would meet again Oct. 6 to iron out technical details and if no problems

emerged the fund could be registered in court only weeks later.

Sources close to the church side in the talks said the most significant aspect of the agreement was that it ensured that the fund would be administered independently of the state.

Western countries have so far pledged the Polish church \$28 million for the fund. The United States and European public institutions have promised \$10 million each, and the American and European Catholic churches \$4 million each.

The sources said they hoped another \$170 million would be forthcoming in the first year of the fund's operation, to be followed by larger sums as the project developed.

Private Polish farms have suffered in the Communist period after World War II from government discrimination in favor of state and collective farms, which have received priority in the allocation of machinery and fertilizers.

But the government says it does not plan to abolish private farms and is interested only in improving their efficiency.

## Report Assails U.S. Failed to Complete Security Work in Beirut

(Continued from Page 1)

any general conclusions nor make any recommendations in the 157-page report, a copy of which was obtained here.

But they said that Mr. M'Bow has established a tight grip over decision-making and staff appointments, often in apparent violation of UNESCO's internal rules.

The report found that 30 percent of the agency's activities appeared to be duplicative, that the budget structure kept changing, making it impossible to compare one year's expenditure with another, and that auditors' recommendations had been ignored.

The report lists dubious management practices, cost overruns and questionable payments, in one case to an executive director of the agency so that he could study in Canada, in breach of regulations. But the report also says that the United States and other Western governments did not exercise adequate control over the director-general and his secretariat.

Although the report does not list any instances of corruption, it depicts a top-heavy, inefficient organization with no effective spending controls.

"UNESCO is highly centralized with all substantive and most routine decisions being made personally by the director-general," the report says.

A meeting next week of UNESCO's governing executive board, to consider proposals made by Western members, is likely to determine whether the United States leaves.

The Western proposals call for improved management, a freeze on new spending and the dismantling of politically controversial programs, including plans threatening press freedom, disarmament studies and attempts to elevate the rights of governments over those of the individual. Instead, Western countries want UNESCO to concentrate its activities on promoting literacy in the developing world, saving artistic treasures and encouraging scientific cooperation.

(Continued from Page 1)

to Beirut, also defended the embassy protection. "We paid very, very great attention to the security arrangements," he said.

But Mr. Hughes stopped short of saying that security measures were intelligence-gathering, which also was criticized after the marine headquarters bombing, were adequate.

"I think that that is one of the questions, obviously, we will be looking at," he said. The spokesman said the embassy had been at a state of high alert since receiving threats Sept. 8.

The U.S. Embassy moved most

of its employees into the annex, in Oakar, a Christian-held suburb about seven miles (11 kilometers) from Beirut, on July 31, when the marines were withdrawn. The old embassy was located in West Beirut, which is populated mostly by Moslems.

A State Department official said of the security arrangements, "The judgment was taken that the situation had improved enough during the summer that it was appropriate to withdraw the marine security and hire contract guards."

The annex and a companion facility in West Beirut are considered temporary until a new embassy, now under construction, is opened. State Department officials said the temporary facilities were expected to be used for at least a year.

The embassy hired about 35 Christian militiamen to guard the annex and about 50 Moslem and Druze fighters in West Beirut, officials said. Not all 35 Christian militiamen would have been on duty Thursday morning when the truck approached.

The van, reportedly occupied by a driver and one passenger, was challenged by some of those guards at a gateway at the entrance to the residential road on which the annex is situated. The spokesman said the driver may have tried to bluff his way past the guard. One report reaching the Pentagon said the driver refused to roll down his window.

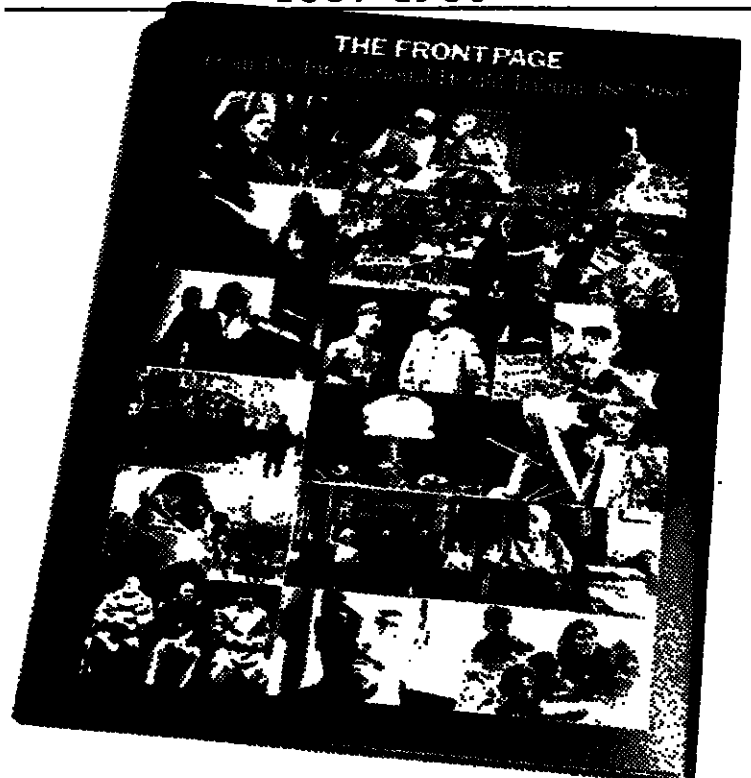
The van reportedly drove ahead, passing a gate that had been opened. Its driver or passenger began shooting at the guards, and the guards began returning fire.

The van had to weave past four concrete barriers, officials said. After passing them, the van drove about 500 feet (150 meters) down the residential road until it reached the second gate to the embassy.

The United States has chemical weapons in Western Europe, but they are old, having last been stored there in 1969. General Rogers argued that production of the new binary gas artillery shells would deter Soviet use of such weapons and improve U.S. negotiating strength in talks aimed at eliminating such weapons.

As the van proceeded along the road, it continued to draw fire from contract guards, marines and British security agents who were waiting outside the annex for their ambassador to emerge from a meeting inside. After the driver apparently was killed or disabled, the van stopped just outside the second gate and exploded.

## THE FRONT PAGE



Reproductions of 129 front pages, with Herald Tribune exclusive articles: the Titanic, the Dreyfus trial, First World War coverage edited at the front. Read about people: Queen Victoria, Lindbergh, Jack the Ripper, the Windsors, Stalin—a century of news headlines and the events that surrounded them.

Hardcover, 28 x 38 cm, The Front Page is a distinctive personal or business gift.

### THE FRONT PAGE 1887-1980

International Herald Tribune, Book Division, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please send me \_\_\_\_\_ copies of The Front Page at U.S. \$37 each, plus postage: \$2.50 each in Europe - \$8 each outside Europe.

☐ Enclosed is my payment. (Payment may be made in the convertible European currency of your choice at current exchange rates.)

☐ Please charge my VISA Card number \_\_\_\_\_

Exp. date: \_\_\_\_\_ Signature: \_\_\_\_\_  
(Necessary for VISA Card purchases)

Name (in block letters): \_\_\_\_\_

Address: \_\_\_\_\_

City and Code: \_\_\_\_\_

Country: \_\_\_\_\_

22-9-84

ANY U.S. BOOK IN PRINT  
DELIVERED FAST  
ANYWHERE IN THE WORLD  
For order form write: Dept. 817  
Customer Book Service of America, International  
Publishing, Massachusetts 01867, U.S.A.

REGISTER YOUR VOTE  
of  
HARRY'S N.Y. BAR  
5 Rue Daunou, PARIS  
8297, 244  
7:00 p.m. to 9:00 p.m.



## AMERICAN TOPICS

## Texans Think Big About High Tech

Texas, whose name is synonymous with oil, is running out of it. Many geologists believe there is not enough undiscovered petroleum to last much beyond the year 2000.

And as the wells begin to dry up, Texas is undergoing a transition, with scores of new ventures in computers, medical technology, aerospace and scientific research.

But can Texas make it big in the high-tech age? John A. Bostwright, an economist for Exxon U.S.A., with headquarters in Houston, says, "Texas is going to look more and more like the rest of the nation than it ever has in the past."

Why set up shop in Texas when Massachusetts or California might do just as well? The Texas Economic Development Commission cites the state's weather, its low unionism and low taxes. Mark Fowler, 34, president of a new Houston computer firm, says Texas may have more company loyalty than they do in, say, Silicon Valley. "In California, they can walk across the parking lot and get a new job," he said.

## Inauguration Day, Football Won't Clash

The word going around Washington is that congressional leaders postponed the 1985 presidential inauguration one day to Monday, Jan. 21, to avoid a television conflict with professional football's Super Bowl, which is scheduled for Sunday, Jan. 20.

"It reads well and it tells well, but it just isn't true," said John Chambers, staff director of the Joint Congressional Committee on the Inauguration. He said that on each of the five previous occasions that Inauguration Day fell on a Sunday the president-elect was sworn in privately that day, with the public ceremony on Monday.

The previous five were James Monroe (1817), Zachary Taylor (1849), Rutherford B. Hayes (1877), Woodrow Wilson (1917) and Dwight D. Eisenhower (1953). Mr. Chambers said there will be a private swearing-in of the next president on Sunday, Jan. 20, the date stipulated in the Constitution, and that the public ceremony will be the next day.

## N.Y. Mayor Knocks, Polishes 'Big Apple'

Serious crimes are down in New York City and felony arrests are up. The welfare rolls are growing, as are the ranks of homeless people. Streets are cleaner, even if they remain potholed.

Mayor Edward I. Koch, in his annual report for the fiscal year ending June 30, said that while most "city services continue to improve," others are in the "early stages of recovery" from the fiscal crisis of the mid-1970s.

The mayor said almost a million potholes were filled, with an uncounted number still unfilled. He said the percentage of streets rated "acceptably clean" was higher than it had been in years.

## Florida Is Battling Deadly Citrus Blight

Florida is stepping up its efforts to stamp out citrus canker, a highly infectious bacterial disease that is harmless to humans but fatal to oranges and lemon trees. Convict laborers are burning infected trees and college graduates with biology degrees are being hired as field workers to look for signs of the blight. But it is expected that the campaign will take millions of dollars and require three to four years. The last canker infestation lasted for 16 years before it was wiped out in 1931.

## Short Takes

Trading stamps, which were popular with American shoppers during the 1950s and 1960s but almost faded from sight in the next decade, are making a comeback. Today, stamp sales are about \$500 million a year. During the peak years they approached \$1 billion.

Town officials in Edgartown, Massachusetts, want to sell the Dike Bridge on Cherry Island where Senator Edward M. Kennedy was involved in the 1969 auto accident in which Mary Jo Kopechne died. The wooden bridge has become a tourist attraction and a headache for residents of adjacent Martha's Vineyard. It also has fallen into disrepair. Instead of spending the thousands of dollars needed to fix it, town officials want to build a new bridge and sell the old one — if the buyer will cart it away.

The California governor's mansion, the house that Ronald Reagan built and his successor, Edmund G. Brown Jr., shunned, has been sold for \$1.5 million to a developer who says he wants to turn the 11-acre suburban estate into a country club.

## Notes on People

Morton H. Halperin, the former National Security Council aide who sued President Richard M. Nixon and Henry A. Kissinger for approving a wiretap on his telephone, appears to be a top contender to become director of the American Civil Liberties Union's national office in Washington, according to ACLU sources. The job opened up when John Stoen left to become a senior administrator at Harvard University.

Gordon Peter Getty, 51, son of the late oil magnate, J. Paul Getty, disagrees with Forbes Magazine, which called him the richest individual in the United States with a \$4.1 billion fortune. He said, "What they did was to count my family trust fund as part of my personal wealth." He said he's actually worth only "somewhere between \$30 million and \$50 million, but I have not had a hard look at it for a couple of years."

## Steve Goodman, Songwriter, Dies Of Leukemia at 36

SEATTLE — The folk singer and songwriter Steve Goodman, 36, whose romanticized railroad ballad "City of New Orleans" was made into a hit by Arlo Guthrie, has died of complications from bone marrow transplant to treat leukemia.

Mr. Goodman, who had leukemia for 15 years, died Thursday at the University of Washington Hospital. He had received bone marrow from his brother in a transplant Aug. 31 and had been in a coma for a week with kidney and liver failure, a hospital spokeswoman said.

Mr. Goodman's songs included "Somebody Else's Troubles" and "Jessie's Jig," and have been recorded by David Allan Coe, John Denver, Joan Baez and others. This week, Mr. Goodman released "Santa Ana Winds" on his own label, Red Padma Records. Although he received much critical acclaim and sang with such rock figures as Bob Dylan, his recordings never sold particularly well and his lifestyle remained moderate.

## Other deaths:

Carl J. Friedrich, 83, professor of government at Harvard University, Wednesday, a widely published author in political science, philosophy, history and law.

Carlo Pesenti, 77, a former director of the Banco Ambrosiano, Friday in a Montreal hospital, a spokeswoman for one of his companies said in Milan. Mr. Pesenti, had been due to appear in a Milan court on Friday to answer charges of involvement in the collapse of the bank in 1982.

## Bush Jeered In Vermont, A Republican Stronghold

By Jane Perlez  
New York Times Service

BURLINGTON, Vermont — The Brattleboro Common is a square of green in the middle of the town where people usually come to play chess and listen to music. It is also where Vice President George Bush learned that Brattleboro, although it is in a traditionally Republican state, does not always give the party's leaders a warm welcome.

About 200 protesters, some bearing hand-painted banners with messages opposing nuclear weapons, peppered the vice president Thursday with such a volley of anti-Republican slogans that he scrapped most of his speech on the Reagan administration's record on arms control. Until now, Mr. Bush had campaigned mostly in the South and Middle West and had not encountered such a barrage of heckling.

Mr. Bush was speaking in the heart of nuclear-free zone country. His aides said later that he had not been surprised by the shouts of "No more nukes" and "Six more weeks" that kept him from being heard.

Even so, a dark-suited advance man from Washington, upset that his picturesque event was being spoiled, walked through the protesters tugging at the signs, asking their owners to take them down.

Mr. Bush told the crowd of about 1,000, "You have a handful of people who are out of step who care about their issues." Then, marching on with his upbeat theme, he said, "But America is turned around, America is strong and nobody likes it, those guys just don't like it."

Mr. Bush hinted at a later news conference that it was possible the Democrats had decided to realign after hecklers at the University of Southern California shouted at Walter F. Mondale, the Democratic presidential candidate.

"When he gets elevated to the point where it's a real embarrassment to one's side, the other side might well say, 'We'd better get out there and do the same thing,'" Mr. Bush said.

Mr. Bush's press secretary, angered by news accounts of the encounter with the hecklers, said Friday he would no longer give reporters advance copies of the vice president's speeches. The Associated Press reported from Bangor, Maine.

"You'll have to have your tape recorders going and your pencils moving fast," Peter Teesley said. He said he was irritated by news accounts that said Mr. Bush shrank when confronted with the hecklers.

Brattleboro was one of the most active centers of the nuclear-free zone movement in 1982 in a state where 186 townships out of 245 voted in favor of a mutually verifiable freeze on nuclear weapons, according to David McCauley, the field secretary of the American Friends Service Committee. Mr. McCauley said his organization did not support any presidential candidate.

Before arriving in Vermont, Mr. Bush made a quick stop in Boston on behalf of Ray Shamie, who won Tuesday's Massachusetts Republican primary for the Senate seat being vacated by Paul E. Tsongas, a Democrat.

Mr. Bush, appealing to Democrats to support the Republican presidential ticket, said, "John Kennedy once said that party loyalty sometimes asks too much; and I think in 1984, party loyalty is asking too much from mainstream Democrats to stick with Walter Mondale."

Mr. Bush ended his trip to Vermont with several appearances in and near Burlington, including a question-and-answer session at St. Michael's College in Winchendon. He said there that spending on most domestic programs, including food stamps and student aid, had increased in the Reagan administration. At a news conference, Mr. Bush said he could not deny that the increased spending on food stamps had been caused by the recession of 1981 and 1982.

## Reagan Aide Admits Mistake on Poor

Los Angeles Times Service

WASHINGTON — David A. Stockman, the director of the Office of Management and Budget, who told Congress a year ago that he was "absolutely confident" the U.S. poverty rate would drop sharply in 1983, has admitted that his prediction was wrong.

Acknowledging a Census Bureau report that showed poverty increased marginally between 1982 and 1983, Mr. Stockman said Thursday that it was only because of the continued effects of the recession and not because of any



BACK IN ROME — Pope John Paul II returned Friday after his 12-day coast-to-coast tour of Canada.

## Homosexual Study Hints At a Biological Factor

By Jane E. Brody  
New York Times Service

NEW YORK — A group of homosexual men has been found to have a hormone-response pattern midway between that of heterosexual men and heterosexual women, according to a U.S. study. The pattern suggests, but does not prove, that a biological factor may play a role in the development of homosexuality in some men.

The study, conducted at the State University of New York at Stony Brook, Long Island, and published Thursday in the journal Science, examined hormonal responses to the drug Premarin, a potent form of the female hormone estrogen that is often used to treat women with menopausal symptoms and uterine bleeding.

Women given this drug early in the menstrual cycle experienced a characteristic change in the level of luteinizing hormone, or LH. Initially, the LH level in the blood fell, then rose to about double the original level.

In men, an initial drop in LH occurred, followed by a gradual return to the original level. However, in the homosexual men studied, an intermediate response pattern was observed. LH fell in the 14 exclusively homosexual men studied, there was an initial decline in LH, followed by a rise to a level about 35 percent higher than the original level. The increase did not occur in any of the exclusively heterosexual men given the same treatment.

In the remaining five homosexual men, LH release was similar to that of the heterosexual men. In none of the homosexual men was the LH response anywhere near that of the women studied.

The director of the study, Dr. Brian A. Gladue, who now heads psychoendocrinology research at North Dakota State University, said the findings indicated that "most of the homosexual men in our study are processing the estrogen differently from heterosexual men."

He cautioned, however, that such a finding, if corroborated by future research, does not mean that there is "a correctable chemical difference in the brain or elsewhere that makes a man gay or straight."

Dr. Gladue and his co-authors, Dr. Richard Green, a psychiatrist and expert on sexual development at Stony Brook, and Dr. Ronald E. Hellman of the South Beach Psychiatric Center in Brooklyn, also cautioned that their findings may not apply to most or even many homosexuals.

The men they studied were at the extreme of sexual orientation. Since puberty, their sexual fantasies and activities had involved only other men or had been exclusively heterosexual.

The researchers said there was a need for future studies involving larger groups of homosexual and heterosexual men and women.

## Hughes Co. Changes Satisfy Air Force

The Associated Press

LOS ANGELES — Air force officials are satisfied with Hughes Aircraft Co.'s efforts to solve workmanship problems on missiles and have recommended that the Pentagon resume millions of dollars in monthly payments that were cut off last month.

Three of six divisions of Hughes, the Pentagon's largest supplier of missiles, radar and high-technology equipment, had been accused by the military of shoddy workmanship.

The Pentagon has stopped accepting missiles made at the Hughes plant in Tucson, Arizona, has withheld \$37.8 million in payments for July and has not acted on a request for August payments. The recommendation Thursday called for the release of 50 percent of the withheld payments by Oct. 1.

## Hmong Flee Philadelphia's Violence

## Harassed by Blacks, Immigrants Seek a Third U.S. Home

By William Robbins  
New York Times Service

PHILADELPHIA — Among his troubled people, the actions of Lu Vang were not unusual. But it was a sad day for him, the young man said this week, as he packed a van to take his family out of harm's way, far from the grim streets of Powelton Village in West Philadelphia.

It was the end of a chapter that began with high hopes when the Vang family, refugee Hmong from the mountains of Laos, were resettled here four years ago after a sojourn in Wisconsin. That visit has ended amid hatred after attacks by black youths against them and other Hmong people.

"Maybe they just don't like us, maybe something wrong with us," said Mr. Vang, 21, struggling to explain why he felt he had to leave Philadelphia's dwindling community of Hmong (pronounced hmoong) to go to Minneapolis.

"I'm not angry," Mr. Vang said. "But if we keep staying here I don't know if anyone will die."

Mr. Vang's extended family of 16, including his wife and two children, are among six Hmong family groups to leave Philadelphia in a recent eight-day period. They were fleeing a wave of violence that left them afraid, they said, to walk in the streets or even stay at home.

Mr. Vang was one of seven Hmong interviewed on Powelton Avenue, only one of whom, a Hmong leader named Bie Xiong, had escaped muggings or other violence over the past two months here. Some were beaten and robbed, apartment windows were hit by rifle bullets and homes and cars were stoned.

The attackers, apparently few in number, have stirred revulsion here.

In response to the violence, U.S. Attorney Edward S.G. Dennis has started a Justice Department investigation and asked the Federal Bureau of Investigation to determine

whether the Hmong's civil rights were violated. In addition, the city's Commission on Human Relations has tried to ease the conflicts.

But a call for a City Council investigation by Joan Specter, a Republican member, was rejected by the Democratic majority on the ground that city agencies were handling a problem that could be exacerbated by intervention.

One of the cars stoned was that of the Reverend Edward V. Avery, a Roman Catholic who has helped the Hmong. Ruth Adams, a leader in the black community who has supported the Hmong, was threatened. She has helped organize a neighborhood meeting and a petition drive on behalf of the Hmong and a march on a local police station seeking increased protection for the community.

The Hmong, who fought as allies of U.S. troops in the Vietnam War, have encountered problems, including hostility, wherever they have gone in the United States, but apparently the brutality here was the worst they have faced.

More than 55,000 Hmong have been resettled in the United States since the end of the Vietnam War in 1975. Few of them could read and write even in their own language, and that has made it difficult for them to learn to communicate in a new language. In the low-income communities where they live, they compete with the least skilled for low-paying jobs and public aid.

As many as 5,000 Hmong moved to Philadelphia by the end of the last decade, according to Mr. Xiong, the president of the local community organization. He said the local Hmong population has fallen to 650.

"Most," Mr. Xiong said, "had never put pen to paper before." And most left, he said, because of economic problems.

With a federal grant of \$100,000, Mr. Xiong has opened an employment assistance office to stabilize

the remaining Hmong population. But that aid has also contributed to the Hmong's problems, according to Father Avery and Mrs. Adams. Black youths, who suffer high rates of unemployment, have asked why immigrants received the aid instead of native-born Americans, Father Avery said.

"They hear the talk among their elders at night," he said, "and they act out their feelings on the street."

Mrs. Adams has been among the most outspoken critics of the violence. "It's shameful that my people could feel so much hatred, that they would do the same thing to the Asians that have been done to us," she said.

But, she said, "It isn't just the Asians," and cited several recent incidents of robbery and other violence with black victims. "We need more police protection," she said. "And we need more love in our hearts."

Ger Vang, a relative of Lu Vang, told the story of an attacker who had thrown him to the ground and battered his face. "He said, 'Don't come down this street no more,'" Ger Vang said, adding, "I must walk this street. I live here."

## Ellsworth Bunker, 90, Critically Ill in Hospital

Washington Post Service

BRATTLEBORO, Vermont — Ellsworth Bunker, who was the U.S. ambassador to South Vietnam in the latter stages of the Vietnam War, was in critical but stable condition Friday at a hospital where he was admitted with shingles; his daughter-in-law and a hospital spokeswoman said.

The 90-year-old former diplomat, whose career spanned 35 years and seven presidencies, was admitted to Brattleboro Memorial Hospital on Sept. 13, a hospital spokeswoman said. Mr. Bunker went in with shingles and "there were some complications," his daughter-in-law, Margery Bunker, said.

## Sandinists Said to Make Concessions

By Stephen Kinzer  
New York Times Service

MANAGUA, Nicaragua's leaders have made substantial concessions in private to their political opponents, according to diplomats and opposition activists.

The activists said they considered the Sandinists' response to their proposals more "substantial" than any they had received since their coalition lost its legal status last month. They said the only proposal that the Sandinists had not addressed was postponement of the national election scheduled for Nov. 4.

The concessions were said to have been made in recent days through the intervention of President Belisario Betancur of Colombia. For nearly two weeks, Mr. Betancur has been serving as a private intermediary between the Sandinists and the opposition coalition, whose presidential candidate, Arturo José Cruz, has refused to register for the election on the grounds that conditions for the free expression of popular preference do not exist.

In an interview Thursday, Mr. Cruz said he would still be willing to register if "appropriate conditions" existed.

In response to opposition demands that the government change the election laws, the Sandinists replied through Mr. Betancur several days ago that they were willing to agree to widen freedom of the press, move polling places away from military installations, allow opposition parties to inspect voting lists and permit foreign observers to monitor the election.

Opposition leaders and businessmen met for nearly three hours Thursday to analyze the Sandinist proposal. "It is something for us to consider," Mr. Cruz said as the meeting broke up. "A response should be ready within a few days."

Other opposition leaders said the offer was considered constructive, but that it would be difficult for the coalition to accept any package of concessions that did not include postponement of the election.

But this week, for the first time, a Sandinist leader suggested that postponement of the election might be possible.

Opponents Set Upon Cruz

Several thousand Sandinist supporters trapped Mr. Cruz, in a school during a political meeting, then spit on him and hurled stones and mud as he was evacuated by police, leaders of Mr. Cruz's coalition and witnesses told The Associated Press in León.

Mr. Cruz, 54, was hit on the forehead with a stone but was not seriously injured in the incident Wednesday, according to Luis Rivera Leizaola, president of the Social Democratic Party.

Mr. Cruz, a former ambassador to Washington for the Sandinist government, "remained calm despite the threats against him by the mob," said Leonel Briceño González, owner of the English Center, a private institute in León where the political meeting was to take place.

Mr. González said he and many of the 200 local coalition leaders at the meeting escaped by climbing over the roofs of nearby houses in León, 50 miles (80 kilometers) northwest of Managua. Mr. Cruz reportedly was trapped in the building more than three hours.

## Report Calls For Change At U.S. Medical Schools

By Gene I. Macroff  
New York Times Service

NEW YORK — A new approach to medical education, intended to cut down on lecture classes, minimize memorization and ease the pressure on undergraduates hoping to get into medical school, has been proposed by a panel sponsored by the Association of American Medical Colleges.

The recommendations, made Wednesday in the association's first major report on medical education, call for a broadening of the curriculum to include nonclinical areas and for faculty members to improve the clinical training of students in medical school.

The report, "Physicians for the 21st Century," offers proposals that would alter the entire process of selecting undergraduates for medical school and of training them to deal with patients.

Dr. Steven Muller, chairman of the panel, said, "We perceive a continuing erosion of general education for physicians, an erosion that has not been arrested but is instead accelerating."

Dr. Muller, president of Johns Hopkins University in Baltimore and its affiliated hospital, was chairman of the group of 19 educators and physicians that took three years to prepare the report.

Educators also explored the effects of cutthroat competition to get into medical school and the stifling rote learning in many medical schools.

Dr. Muller wrote that the problems the panel found were not new but there is "increasing urgency of finding appropriate remedies."

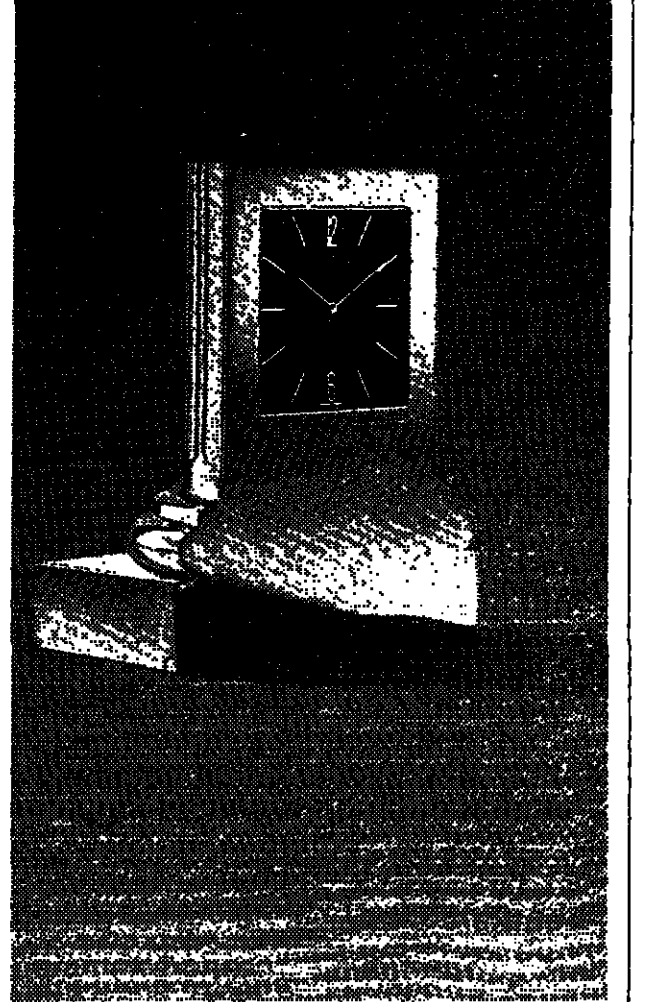


Table clock "Columna Bulgari", solid silver.

BVLGARI

10 VIA DEI CONDOTTI - ROMA  
HOTEL PIERRE - NEW YORK  
30, RUE DU RHÔNE - 1204 GENEVE  
AVENUE DES BEAUX-ARTS - MONTE CARLO  
HOTEL PLAZA-ATHENEE - PARIS

## BRIEFS

## ay in Gulf of Suez

They will extend their operations in the Gulf of Suez for a longer period, a spokesman for the Egyptian Navy said today. The Egyptian Navy is engaged in a search for a missing Egyptian ship that was reported to have been sunk by a Israeli submarine in the Gulf of Suez in 1973.

## e Bugged Down

(NYT) — Two weeks of bugging have ended without a conviction. The bugging was part of a search for a missing Egyptian ship that was reported to have been sunk by a Israeli submarine in the Gulf of Suez in 1973.

## uts Form Group

U.S. and Soviet war veterans are forming a group to promote humanitarian aid to war-torn areas. The group is called the "War Veterans for Peace" and is led by a former U.S. Marine.

## A Soviet Church

A Soviet church in Leningrad is planning to hold a service for the victims of the September 11 attacks on the World Trade Center. The service is to be held in the city's largest church, the Isaac Cathedral.

## Much for Guns

A group of gun enthusiasts is planning to hold a "gun show" in New York City. The show is to be held in a large hall and will feature a variety of firearms, including handguns, rifles, and shotguns.

## ouncil Session

The United Nations Security Council is holding a session today to discuss the situation in the Middle East. The session is being held in the presence of representatives from the United States, the Soviet Union, and other member states.

## Basques' Plea

The Basque people are making a plea for peace in their region. They are asking for an end to the violence and for a return to normalcy. The Basque people are a small ethnic group living in the northern part of Spain.

## Learning on a Consulate

A group of students is learning about the culture and history of a foreign country at a consulate. The students are participating in a cultural exchange program and are being taught by a local teacher.

## Church Services

There are several church services taking place in various parts of the city. The services are being held in churches of different denominations and are open to all who wish to attend.

## Learning on a Consulate

A group of students is learning about the culture and history of a foreign country at a consulate. The students are participating in a cultural exchange program and are being taught by a local teacher.

## Church Services

There are several church services taking place in various parts of the city. The services are being held in churches of different denominations and are open to all who wish to attend.

## Learning on a Consulate

A group of students is learning about the culture and history of a foreign country at a consulate. The students are participating in a cultural exchange program and are being taught by a local teacher.

## Church Services

There are several church services taking place in various parts of the city. The services are being held in churches of different denominations and are open to all who wish to attend.



# Herald Tribune

Published With The New York Times and The Washington Post

## Africa Needs Help Now

The global recession is over for most of the industrial world, but not for Africa. In the vast sweep of poor nations south of the Sahara, anemic levels of output and income continue to fall. A drought of historic severity, the worst of this century in parts of eastern Africa, explains only a part of the crisis.

A new analysis by the World Bank concludes that these desperate societies need dramatic internal reforms and sharp increases in aid. Without both, there looms the "specter of disaster." The bank's report will be presented to the annual meeting of its 147 member countries that starts on Monday. But American officials are grumbling that the member that can help the most is already doing enough.

Emphasizing that foreign help, no matter how great, cannot alone reverse the trend, the bank observes that development in most of the region is hobbled by unstable politics, rural economic institutions, unmanageable population growth and misdirected governmental action. The suffering has been compounded by forces over which the countries have no control — drought and depressed prices for commodities on which they depend for income.

Washington has shown due concern for the drought. In March President Reagan asked Congress for \$90 million for emergency food aid and got \$150 million. Last month he re-

quested \$50 million to store food overseas and deliver it quickly to the poorest countries.

But Congress has balked at the president's request for a five-year, \$500-million "economic policy initiative" to reward reform of bureaucratic marketing systems that depress food production and increase dependence on imports. This worthy plan is blocked by Senator Robert Kasten, chairman of the subcommittee for foreign aid appropriations, who says the administration already has enough flexibility and does not need more money. This resistance leaves Washington applauding the World Bank's interest in reform but in no mood to hear its appeal for more money.

The bank estimates that Africa's 39 developing countries need \$2 billion more each year than aid-giving countries and agencies now provide. That would be a 25-percent increase, of which the United States would be expected to contribute at least \$400 million. The bank would create a special fund to disburse the extra aid only in support of major reforms, but it has yet to present a detailed plan.

The administration and Congress should suspend skepticism and give the coming proposal closer study. Neglect of Africa's destitute millions will mean more suffering and the need for a still costlier rescue on another day.

—THE NEW YORK TIMES.

## Another Bomb in Beirut

Another bomb has exploded at an American facility in Beirut, claiming at least six lives, including two Americans, and adding an unnecessary reminder of the chaos and violence that pervade Lebanon still. Security precautions limited the damage somewhat, but, as Secretary of State George Shultz correctly observed, any American embassy must have a flow of people in and out, and that leaves some irreducible level of danger. We have great respect for those Americans in the diplomatic corps and other civilian agencies who serve abroad literally at their peril.

But what is to be done about this intolerable situation in which one American installation after another in Lebanon is targeted by terrorists whose patience and taste for martyrdom confer a deadly advantage? Are they Shiites? Iranians? Is there a Libyan or Syrian hand? In their invisibility and their menace, it scarcely matters as long as the assaults go on.

President Reagan defines the enemy as a "worldwide terrorist movement," as if it were ubiquitous and so sinister that to think of avoiding its sting at any specific location were beside the point. There can be said to be such a "movement," but it is not the enemy in Lebanon.

The enemy there is a condition of disintegration begun by the PLO and advanced by many others, which gives full play to the local killers. Perhaps it is time to remove the residual official American presence from their reach.

We cannot "crawl into a hole" and stop performing," Mr. Reagan adds. That is an unfortunate formulation. The honorable mission that he set out to perform two years ago — to help Lebanon back on its feet after the Israeli invasion — has gone by the wayside. Perhaps he is reluctant to take a step that might be portrayed in the political campaign as an admission of failure in Lebanon or as a retreat from "standing tall." But the inability to find, let alone punish, those responsible for past attacks, and to prevent further attacks, exacts a toll on American prestige.

There need be no shame in the evacuation of noncombatants from a war zone, least of all from a place where, as in Beirut, the outer perimeter of the embassy annex that was bombed was guarded not by the army of the host country, which is not up to the task, but by mercenaries from one of the local private militias. American diplomats deserve better.

—THE WASHINGTON POST.

## Unfree Trade in Steel

President Reagan's plan to reduce steel imports by forcing other countries to accept negotiated restraints is a masterly solution to his political problem. The reduction sought, from 25 to 20 percent of the American market, should be enough to silence union and industry criticism of the administration, undercutting Walter Mondale's appeal in the Rust Belt. Yet the choice of "voluntary" curbs on countries accused of unfair competition is likely to diffuse criticism of the steel industry by U.S. consumers who oppose formal import quotas.

And these import restraints will aggravate America's economic problem. They will cost consumers billions and reduce the competitiveness of U.S. manufacturers dependent on steel. They will do little to halt the decline of America's big, integrated steel makers.

Some sort of election-year restraints seemed to be inevitable once an independent government agency ruled in June that the domestic steel industry had been injured by imports. There was some spirited opposition from steel users, the Caterpillar tractor company, for one, threatened to move plants and jobs overseas if its steel prices were deliberately raised.

But much of the opposition was diverted by competing interests. American banks, which understand how important it is to the industrializing countries to export steel in order to service their debts, were more immediately

concerned about the pending legislation to regulate their own business. America's auto manufacturers, the largest consumers of steel, and their union were in effect disarmed by their comparable desire to curb auto imports. That left the defense of open trade to intellectually sophisticated but politically weak bureaucrats in the State Department and the office of the special trade representative.

Balancing its political interests against its free market principles, the White House strained to find a "middle" course. It says it will aim to cut "unfair" imports from South Korea, Spain and Brazil but will spread some of the burden to efficient Europe and Japan. But whether negotiated or imposed, its target for imports would raise steel prices by 6 to 7 percent, adding more than \$3 billion a year to the prices paid by American consumers.

Mr. Reagan might have done worse; he had the authority to reduce imports to 15 percent instead of 20, and to do it by quota, compounding the inefficiency by rigidly assigning sales to individual countries. But the decision is grim enough. President Carter organized an informal worldwide cartel in automobiles that survives to this day. Now Mr. Reagan has done the same for steel. Welcome to the world of "managed trade," in which consumers lose at once and everyone loses eventually.

—THE NEW YORK TIMES.

## Other Opinion

### Terrorism: No UN Remedy

The embargo wrought in East Beirut at the U.S. Embassy is yet another reminder of the growth of state-sponsored terrorism, and just how difficult, almost impossible, it is to combat. The United Nations is, of course, totally useless in dealing with the problem, if only

because its membership includes terrorist states. There has been much talk of securing more international cooperation among the major civilized powers and it was discussed at the London economic summit. But any formal agreement or convention drawn up would probably still be ineffective.

—The Daily Telegraph (London).

### FROM OUR SEPT. 22 PAGES, 75 AND 50 YEARS AGO

**1909: Closer U.S.-China Ties Urged**  
NEW YORK — Advocacy of closer relations between the United States and China was the keynote of the speeches at a dinner given [on Sept. 20] at Delmonico's by the American Asiatic Association for Mr. Charles R. Crane, the American Minister to China. A letter was read from President W.H. Taft, who wrote that "Mr. Crane carries with him a spirit of friendship toward the great Middle Kingdom and her people and an interest in their development which correctly represents the feeling of our Government and our people toward China." Mr. Crane said that his diplomatic work would be based on Mr. Taft's own public words. "I go under the simplest form of instructions to carry out the spirit of Mr. Taft's Shanghai speech, with profound respect for and great confidence in the Chinese people."

**1934: Honshu Typhoon Kills 2,000**  
TOKYO — Roaring in from the Pacific with terrific violence, a typhoon followed by tidal waves struck the main island of Honshu [on Sept. 21], laid waste a 1,500-square-mile area, destroyed Osaka, Japan's second largest city, and took a toll of more than 2,000 lives, leaving many thousands more injured and unaccounted for. Scores of towns are cut off from the capital and any accurate check of the loss of life is impossible. Aid is being rushed to the stricken areas, which are faced with a food and water famine. Osaka, one of Japan's principal seaports, was the hardest hit. Kobe and Kyoto also were partly destroyed. So far the highest list of casualties was among schoolchildren in these cities, scores of school buildings collapsing under the force of the wind, the velocity of which was the highest ever registered in Japan.

## United Nations: Self-Criticism Might Help

By Flora Lewis

PARIS — There have been about 150 wars in the world since the United Nations was founded in 1945 to keep the peace among nations. The forces of all five nuclear powers have fought, but not against each other. Now, as the annual General Assembly gathers, complaints about its impotence are widespread.

Former Secretary-General Kurt Waldheim says in the current issue of Foreign Affairs that the United Nations "threatens to become increasingly irrelevant in the real world. Its vitality is being sapped." He scolds those in the Third World who logroll the adoption of extremist resolutions that can achieve nothing. "Not healthy," he says. He scolds the major powers because "the habit of international cooperation is waning" through their neglect or inaction.

The real problem, Mr. Waldheim notes, is the contradiction in the charter between the organization's first purpose, "to maintain international peace and security," and its first principle of "the sovereign equality of all its members." That means not only one nation, one vote, but also that the United Nations has no real authority.

It was a problem recognized by the founders when they discussed the veto power in the Security Council and tried unsuccessfully to establish a standing peacekeeping force. They saw that the United Nations would be able to resolve disputes effectively only if the big powers agreed. Otherwise nobody could knock heads together.

The Cold War and the generalized East-West conflict, that soon developed ruled out much chance of major-power accord. But that was not the only cause of paralysis.

Fifty-one nations were represented at the San Francisco organizing conference. Now there are 158 members, of which 32 have fewer than a million citizens. No one foresees the tremendous proliferation of independent states.

The charter was at least partly to blame. Its promise of "sovereign equality," its cachet of conferring national legitimacy as a member of the international community with a reserved seat in the hall and a flag on East Avenue, rewarded fragmentation of the world.

As decolonization progressed, several federations were established by departing imperial authorities in an attempt to make new countries viable. They all broke down. A UN place in the sun was prized beyond development capacity.

There have been attempts to repair some of the damage with regional organizations. But they are too feeble, no real substitute for political links. Only Western Europe, which spawned the nation state, realized the dangers of excessive nationalism. It insisted on the European Community — but did not achieve larger aims of unification. The new countries plunged into the rage of nationalism as vehemently as Europe in the old days.

Now it will be even harder to reverse direction than it was with 51 veteran states, mostly fresh

from the experience of the farries nationalism can unleash. But reversing direction is also more necessary in a real world grown immensely more complex, interdependent and dangerous. Multilateral initiatives are unavoidable.

On its 40th anniversary next year, the United Nations should call a special conference on charter review to seek some palliatives to the disorder that the original error provoked.

It is unrealistic at this stage of human contrivance to expect microdot countries and the lords of empty lands to coolness and renounce their sovereign titles. Nor can the age-old recipe of conquest be allowed to consolidate societies.

Many ideas have been proposed for new UN voting formulas to give weight to population and

economic substance, as well as to independence, so that the world organization would bear some resemblance to the real map of the world. None are likely to win support from small countries. Big ones have become touchier than ever about protecting their prerogatives, as they see the small ones ganging up for narrow interests.

So a review of the charter could not be expected to produce a magic transformation that would give the United Nations a new chance in life. But it could focus attention on the problems of functional ineffectiveness and bureaucratic sterility, which are also a result of the idea of giving every member state a fair share of secretariat jobs. Acknowledging faults is the first step to finding a correction. At least it would be better for the United Nations to have a good go at self-criticism than to continue in decay and disdain.

The New York Times.

## America, Too, Could Do Better

By R.L. Schiffer

The writer was an adviser to two U.S. chief delegates to the United Nations and a special assistant to Kurt Waldheim, the former secretary-general.

NEW YORK — Jesse J. Kirkpatrick, the chief U.S. delegate to the United Nations, has often questioned the organization's value in advancing American interests, and the truth is we do have a serious problem with it. But if we want to change it, we should begin at home and acknowledge that, after all the lofty dreams we had in 1945 when it was founded, we have been ambivalent.

The result has been defensive rather than innovative U.S. policy in the United Nations, with no long-term strategy and no consistent notion of what we want to use the organization for. The uncertainty made itself felt in the years when we were the leader of a Western majority, even as it does today when we sit in a fragmented minority.

In the early years, the decolonization process we helped to launch touched off an avalanche of new nations that changed the political makeup of the world and, inevitably, that of the United Nations. We failed to come up with a policy that could cope with that change.

Today, new superpower tensions are layered over old ones, and we have reason to be disappointed with setbacks in an organization that too often tends

and social ills of the world being worked on at the United Nations, however imperfectly, will hardly be more amenable to solution because we fail to participate. Perhaps we don't recognize how much we can, and should, contribute by making the case for democracy and our human rights ideals.

In the final analysis, we must learn to use the United Nations for what it can do rather than abuse it for what it can't.

We need a long-term approach relying more on a diplomacy of grace and imagination. We must understand that we are dealing with a flawed organization whose members are cynical and inward-looking, but one that can be used to advance our goals once we are clear about what they are.

Next year will bring the United Nations' 40th anniversary. It is not too early to start thinking about it now, to remind ourselves that we signed the charter in 1945 because we believed in the need for peaceful change in a world that respected the rule of law. The concept remains a good one today, even as we seek to make the United Nations more responsive to the goals for which it was created.

The New York Times.

## What Was Bothering Andreotti?

By Enrico Jacchia

ROME — The commotion over Giulio Andreotti's remarks on German reunification has almost settled down, but the underlying concern that prompted the Italian foreign minister's statements endures.

Mr. Andreotti meant what he said at a big Communist rally in Rome on Sept. 13. Later, during a state visit to Saudi Arabia, he confirmed his basic points to a score of Italian journalists: that it is inconceivable today to alter the European borders set at the end of World War II, and that there are two sovereign German states and Italy wants good relations with both.

These views were not improvised, and Mr. Andreotti has reiterated them since his return home.

Almost all of Italy's political forces have dissociated themselves from his statement. Some members of Parliament have asked for his resignation. Nobody wants to spoil the excellent relations between Bonn and Rome.

Emilio Colombo, when he was foreign minister, once proposed jointly with his West German colleague Hans-Dietrich Genscher the signature of a "European act" to achieve European unity. Such has been the traditional way of Italian Christian Democratic diplomacy — floating proposals for the European unification in a useless exercise that implies no particular risk for the proposer.

Mr. Andreotti is somewhat of an innovator. His initiatives, it is stressed in political circles here, have frequently caused surprise. He went to Damascus to see President Hafez al-Assad when the Syrians were practically at war with American troops in Lebanon. A few weeks ago he was welcomed as a friend in the tent of Libya's Colonel Moammar Qadhafi.

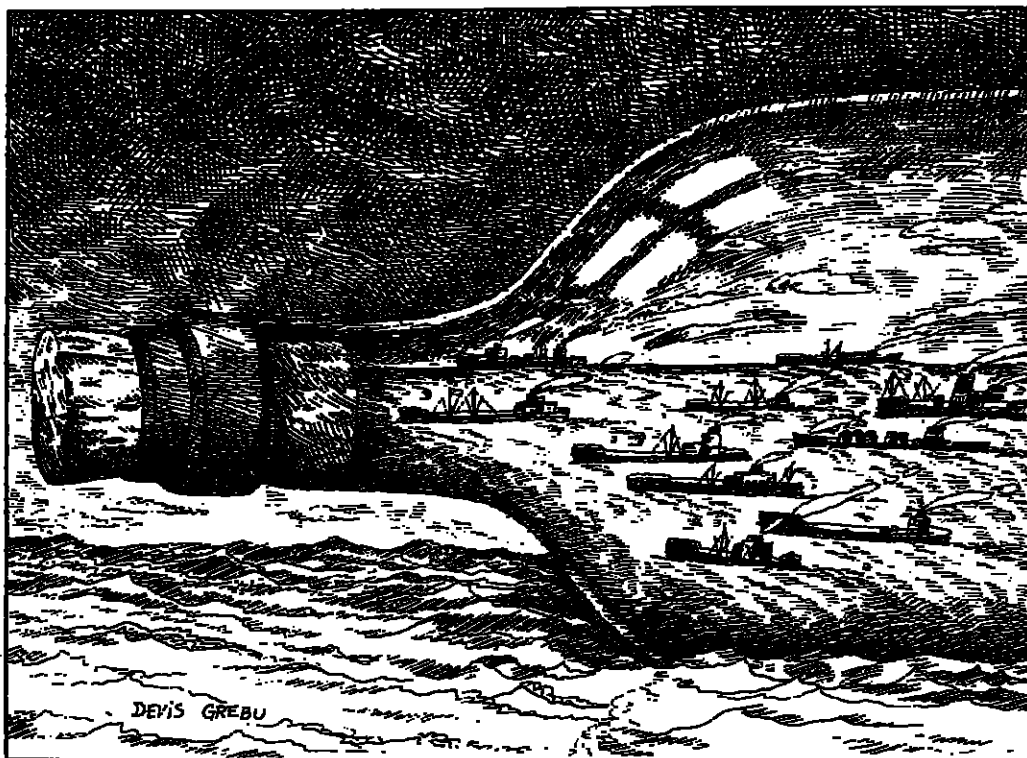
What prompted Mr. Andreotti's remarks about the Germans? It has been said, and written, that he was courting the Communists by way of enhancing his chances to succeed Sandro Pertini as president of Italy. As it happens, the Communist Party has disavowed his remarks, and they have been criticized by the party's newspaper, "L'Unita."

Mr. Andreotti's most suspicious critics suggest that he aimed to blast cohesion among the European partners of the Atlantic alliance with a view to fuzzing the division between the two blocs and fomenting new initiatives for détente. To be sure, the issue he raised is explosive, and Mr. Andreotti is much in favor of détente.

But another explanation is making the rounds in Rome. Mr. Andreotti is known to have been worried by recent developments. On Aug. 17 came President Reagan's remark on Yalta, which was misinterpreted and raised undue expectations in some European circles. Then, amid excitement in West Germany before the planned (but since deferred) meeting between Chancellor Helmut Kohl and East Germany's Erich Honecker, diplomatic reports reached the Italian Foreign Ministry from Moscow stressing Soviet concern over the unpredictable process that the two Germans might be setting in motion.

Mr. Andreotti is understood to feel that the danger of such a process getting out of a control is too great for discussion of it to be confined behind the closed doors of European ministers' meetings — where it has been under discussion, in fact.

International Herald Tribune.



## Now a Steel Cork for the Trade Bottle

By Hobart Rowen

WASHINGTON — Walter Mondale is a protectionist; he makes no bones about it. He solicits union support. Ronald Reagan is also a protectionist, but he is more subtle, fishing for support from free-traders as well as from declining and inefficient industries and their workers.

That is the main message of Mr. Reagan's brilliantly crafted political solution to "the steel problem" — a decision to "negotiate" steel quotas on a "voluntary" basis with countries that export to the United States. The limits are to last for five years.

With a huge lead now over Mr. Mondale, Mr. Reagan had a chance to stand up for a principle. He didn't, which may mean that the White House politicians take that 18-point lead in the polls with a grain of salt.

But quotas are quotas, whether formal or voluntary. They will limit the amount of foreign steel that will enter the United States, raise prices and do nothing to encourage the longtime survival of the steel industry or steel jobs. The president's action adds one more to a growing list of protections he has provided in the last two years for the auto, textile, specialty-steel, motorcycle, meat, sugar, and other industries. All contradict his highly touted open-trade philosophy.

In this case, Mr. Reagan ignored a recommendation by the International Trade Commission for formal quotas and tariffs. But he said he would aim to reduce foreign penetration of the steel market from the present 25 percent to less than 20 percent.

That works out to a 25-percent reduction in imports, or the elimination of one in every four tons of steel presently imported. That is big protection. Robert Crandall of Brookings estimates that imported steel prices will rise by about 20 percent and that the overall average price in the United States will go up by between 5 and 7 percent.

All the reasons Mr. Reagan cited for rejecting formal quotas on imported steel apply equally against the disappointing action he took.

The White House deserves an award for absurd public relations. It succeeded in getting headlines that say "Reagan Rejects Steel Quotas." The White House turned Trade Ambassador Bill Brock loose to spout an anti-protectionist line. At precisely the same time, on a special

television hookup for Pittsburgh stations, Mr. Reagan was accurately saying, "We want to get the message out on how much we're doing" to protect the industry and the workers.

The charade of calling the forthcoming quotas "voluntary" becomes clear from a White House statement that if the countries that are asked to limit their exports refuse to do so, Mr. Reagan will be "prepared to use his authority" under the Trade Act of 1974 to impose formal restrictions.

If you still have trouble deciding who came out on top, hear David M. Roderick, chairman of United States Steel, the number one producer: "Today's action puts us back in the game. We can now make steel a more attractive investment, and thus assist in attracting affordable capital for the modernization of our facilities."

There is little to distinguish the Reagan protectionist scheme from Mr. Mondale's, which would cut steel import penetration to 17 percent.

Mr. Crandall notes that Europe,

Japan and Canada now account for about 15.5 percent of imports. Because European shipments would not be further reduced, Mr. Reagan "would have to put the squeeze on a lot of our other trading partners" — which include Japan, Canada, Brazil, South Korea, Mexico and Spain. Less-developed countries would be hard hit — some of them at a time when they are trying desperately to meet foreign loan obligations.

Whether Mr. Reagan can actually succeed "in getting everybody in the net," as Mr. Crandall puts it, is another question. That is the one significant difference between the Reagan plan and formal quotas: The industry and the union would rather have something formal on the books.

The parallel with the "voluntary" quotas on Japanese cars is striking. And it is worth recalling that those auto quotas, installed for a period of three years, have been extended for a fourth and may be extended even longer. Like narcotics, the quota habit is hard to kick.

The Washington Post.

## LETTERS TO THE EDITOR

### And Now Abandon War

Jan Tinbergen's column "Today's Arms Game Needs Modern Rules" (Sept. 8) recalls Albert Einstein's words in 1946: "The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes." Unorthodox thinking is a challenge, not an impossibility. Past civilizations have abandoned human sacrifice, the belief that the Earth was flat, slavery. Now war must be abandoned. Advances in technology have made war obsolete as a tool to resolve conflict. I believe the human mind is capable of finding peaceful means to settle differences.

DIANA MANN, Hartlepool, England.

### The Issue Is Genocide

Regarding the editorial "Ratify the 1948 Treaty" (Sept. 15): Once again Senator Jesse Helms of North Carolina has created an amazing muddle in his attempt to block

ratification of the UN Convention on the Prevention and Punishment of the Crime of Genocide.

The senator bases his objections on the need to uphold "the sovereign independence of the U.S. Constitution" against the potential claims of international law. But, as Justice James Wilson remarked in 1793, "to the Constitution of the United States the term sovereignty is totally unknown." The "sovereign independence" of our Constitution cannot be threatened by treaties that the United States undertakes; to the contrary, it is the Constitution itself that ensures that foreign treaties are considered valid as the law of the land.

In light of this special status of treaties in the American system of government, Hannah Arendt in "On Violence" remarked, "The United States of America is among the few countries where a proper separation of freedom and sovereignty is at least theoretically possible." If Mr. Helms thinks ratifying treaties threatens the independence of the Constitution, he must think the act of

## Reagan Can Afford to Be Serious

By George F. Will

WASHINGTON — Ronald Reagan's re-election campaign is stepping so high that the mind reels off into paradoxes, including these two: Mr. Reagan is so serious because he has restored trust in that which he distrusts — government; and he is exactly in tune with the mood of the moment, which is liberal.

Fate has played Mr. Reagan the trick of causing him, the scourge of government, to rehabilitate it. The ugly truth must be faced: When folks feel good about their country, some of the feeling spills over and attaches to the institutions of community life, the expression of collective effort — the government. There are 80,000 governmental units in this Republic, but one sets the tone — the one Mr. Reagan has. And contentment with the presidency is spreading, and contaminating all of public life.

It was especially reckless of him to reduce inflation. In the last decade inflation became considered the principal domestic problem, and government was considered the principal cause of inflation. Inflation was the main reason why, just two years ago, three-quarters of those questioned in one reliable poll said that government causes more problems than it solves. The taming of inflation, for now, has removed the irritant in the public's eye regarding government.

The public's liberalism, and Mr. Reagan's benefit from it, is less apparent but even more important, and explains why the Reverend Jerry Falwell's favorite candidate is overwhelmingly the favorite candidate of voters aged 18 to 26.

Eighty years ago Henry James defined journalism as the science of beating the sense out of words. It certainly has done so to political labels. But it is no more semantic; it is to insist that the essential aim of liberalism, and the central liberal value, is the maximization of individual choice. And that is the feeling — the aura — produced by the president's achievement, rapid economic growth.

The liberal aspects of the Reagan program — opposition to abortion, and perhaps support for school prayer — have received attention disproportionate to their importance to the electorate. The Supreme Court, not the executive branch, has custody of issues involving abortion and church-state relations. With five justices in their late 70s, a president can make a big difference on the court, but that is a contingency too remote to be controlling on the minds of many voters.

The conservative temperament, at bottom, incorrigibly skeptical of the ability of human plans to eliminate the rattling bumps from the road of life. But Mr. Reagan is infectious serene about the evaporation of deficits and all other limiting facts, peacefully, under the heat of economic growth. He seems to imagine that business cycles have been banished.

Recently Mr. Reagan told an audience that Americans should avoid "hedonism." It was an enchanting moment, involving a word not usually featured in American politics. Arguably Mr. Reagan, by denouncing the incontinent pursuit of pleasure, was striking at the American Way of Life. Certainly his pose as Cincinnatus is singularly unconvincing. He is our President Monroe — the man for the era of good feelings.

But he also should be a man of some public thinking. He should soon pick a serious forum for a serious speech about the future — not another speech celebrating optimism or God or Grand Ole Opry or the last four years. So far his campaign has set a tone, which is fine, but a tone is not a song and he can be, more than anyone in modern memory, the nation's singer — the presenter of a vision. However, he must do it now.

When he becomes a four-year-line duck he will have only the momentum built in the next six weeks. If his mandate is merely not to be Walter Mondale, his term will be sterile. Twenty-two Republican senators face re-election in 1986. His party will be fractious and distracted. If he just coasts to victory, as he perhaps can, he will lack the weight to hold his party's attention. So an October campaign of more rhetorical risk would be an act of grace — an unforgotten policy of statesmanship.

The Washington Post.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

**INTERNATIONAL HERALD TRIBUNE**  
JOHN HAY WHITNEY, Chairman 1958-1982

**KATHARINE GRAHAM, WILLIAM S. FALEY, ARTHUR OCHS SULZBERGER**  
Co-Chairmen

**LEE W. HUEBNER, Publisher**  
Executive Editor: **RENE BONDY**  
Editor: **ALAIN LECOUR**  
Deputy Editor: **RICHARD H. MORGAN**  
Deputy Editor: **STEPHAN W. CONAWAY**  
Associate Editor: **FRANÇOIS DESMAISONS**  
Director of Circulation: **ROLF D. KRANZBUHL**  
Director of Advertising Sales: **WALTER WELLS**

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Telephone: 747-1265. Telex: 612718 (Herald). Cables: Herald Paris.

Directeur de la publication: **Walter H. Thayer**  
24-34 Hengstenberg Rd., Hong Kong. Tel. 5-283618. Telex 61170.  
Munich, Germany: **RCS Macmillan**, 63 Long Ave., London WC2. Tel. 836-4802. Telex 265009.  
S.A. au capital de 1,200,000 F. RCS Nanterre B 732021126. Commission Paritaire No. 34231.  
U.S. subscription: \$280 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
© 1984, International Herald Tribune. All rights reserved.



# Reagan Can Afford to Be Serious

By George F. Will

WASHINGTON — Ronald Reagan's re-election campaign is so high that the mind reels at the paradoxes, including these: Reagan is soaring because he is in tune with the mood of the nation, which is liberal. In his play Mr. Reagan the mission, to rehabilitate the image of the man, is the goal. The paradox is that when the good about their country, some of the most serious of community life, government. There are 80,000 units in this Republic, as has the tone — the one of the presidency is spreading and covering all of public life. Reagan is especially reckless of him in the last decade. Inflation became the principal domestic problem, and government was considered the principal cause of inflation. Inflation was the reason why, just two years ago, the quarters of those questioned a reliable poll said that government causes more problems than it solves. The taming of inflation, he has removed the irritant in the eye regarding government. The public's liberalism, and Mr. Reagan's conservatism, is less apparent than it is. It is less apparent why the Reverend Jerry Falwell's favorite candidate is overwhelmingly the favorite candidate, aged 18 to 26.

Many years ago Henry James de-  
scribed journalism as the science of  
the sense out of words. It  
has done so to political lib-  
eralism, but it is no mere semantic game.  
The essential aim of  
liberalism, and the central liberal value  
of the maximization of individual  
freedom. And that is the feeling — the  
— produced by the president's  
element, rapid economic growth,  
liberal aspects of the Reagan  
— opposition to abortion,  
— support for school prays-  
— received attention dispropor-  
— to their importance to the  
— The Supreme Court, an  
— active branch, has a history of  
— involving abortion and church  
— decisions. With five justices in  
— the 70s, a president can make  
— force on the court, but this  
— agency too remote to be en-  
— gaging on the minds of many voters.  
— conservative temperament is  
— some, incorrigibly skeptical of  
— ability of human plans to en-  
— a rattling humph in material  
— But Mr. Reagan is not a  
— about the re-education of  
— all other limiting factors, per-  
— spective the heat of emotion.  
— He seems to imagine in  
— cycles have been making  
— Mr. Reagan had said  
— that Americans could not  
— "It was an incident  
— at, involving a word not used  
— and in American politics is  
— Mr. Reagan, an devout  
— constant pursuit of peace  
— along at the American War  
— Certainly his peace is  
— is singularly unimpaired  
— our President Monroe —  
— the era of good feeling.  
— he also should be a man of  
— public thinking. He has  
— such a serious forum for a  
— such about the future —  
— a speech celebrating the  
— of Grand Old Opinions of  
— Mrs. So far his campaign  
— me, which is the best  
— ing and he can be moved  
— in modern politics, the  
— — the president of  
— However, the man is a  
— he has been a  
— will have only the  
— at the next election. If  
— it is merely a word, it  
— le, his term will be  
— — two Republican  
— election in 1988. His  
— (fractious and distrustful)  
— tals to voters, and yet  
— will lack the womanly  
— attention to be an  
— d make the national  
— act of grace — a national  
— of statehood.

The Washington Post  
Sept. 22, 1984

Sept. 22, 1984  
The Washington Post  
Sept. 22, 1984

radior's Difference  
Sept. 22, 1984  
The Washington Post  
Sept. 22, 1984

## FRIENDLY & COMPATIBLE



# BEYOND COMPATIBILITY

The new Olivetti personal computers are hardware and software compatible with the universally acknowledged industry standards. But it doesn't finish here. They are quicker in processing words, numbers and even graphics with a crisp higher resolution image. A range of models with greater expandability to provide you with the right power at the right moment. And which also integrate into communication networks to evolve together with your organisational needs.

You may not know anything at all about the new Olivetti personal computers, but they already know you,

your problems and the best solutions. Because within Olivetti's new personals is concentrated all the know-how of the leading European company in information technology—knowledge and experience built through contact with thousands of European companies and professionals, day-in, day-out.

Know-how that takes into account their needs, their habits, and their expectations when preparing solutions.

Olivetti personal computers made in Europe. The alternative.

# olivetti

Please mail this coupon to the Olivetti representative nearest you.  
Please send me more information about Olivetti Personal Computers.  
NAME.....  
ADDRESS.....  
CITY.....  
TELEPHONE.....







## ARTS / LEISURE

## The Genius of 'Douanier' Rousseau: From Naïf Awkwardness, a Mastery

By Michael Gibson  
International Herald Tribune

PARIS — Henri Rousseau, called "Le Douanier" (1844-1910), is widely referred to as a naïf, although many art historians disagree because, they argue, it too easily disposes of the peculiar and artistically serious quality of Rousseau's work. The Parisian public has an opportunity to make up its mind, thanks to a show of 65 paintings at the Grand Palais until Jan. 7. It will be at the Museum of Modern Art in New York Feb. 5-June 4.

The term naïf does, in fact, distort the reality of Rousseau's odd apparitions in the second half of the last century. But what are you to make of a fellow who solemnly told Picasso: "We are the two great painters of this age, you in the Egyptian manner and I in the modern." The man was, in many respects, an innocent.

But there is a factor one tends to ignore that makes Rousseau's oddities somewhat more intelligible. His father ran a modest hardware store in the city of Laval, and young Henri, who had drawn a lucky lot and been exempted from military service, began working for an attorney at the age of 19. He plied about 20 francs worth of stamps and loose change, however, and hastily enlisted in the infantry for seven years.

It was during this stint that he

met some soldiers who had returned from the expedition that failed to save Emperor Maximilian in Mexico, and the souvenirs they gave him allowed him to claim later that he had been there himself. Guillaume Apollinaire subsequently labored hard to create a legend around Rousseau, and much of the misinformation that is still current can be traced to him.

After leaving the army Rousseau became an excise-man collecting dues on merchandise being brought into the city of Paris. So he was, in fact, not a douanier, a customs officer, but a gabelou, a collector of taxes.

This life he felt to be mediocre, and that is clearly why he tried to brighten it up with a few harmless fictions, but he also wanted to improve himself socially in the early days of the Third Republic, where social mobility became conceivable to people of modest origins, and Rousseau's path to respectability lay in painting.

Painting, however, in this period, implied "realism" and "perspective" and a lot of somewhat fossilized craft that Rousseau had not had the opportunity of acquiring. The painters he admired, at the outset at least, were the academic artists now referred to as *pompier* — such as Adolphe Bouguereau and Jean Léon Gérôme. But he did not have their talent for idealized realism. Instead "emotion plays the role usually assumed by craft," said Pissarro, who admired him.

What Rousseau did have was an extremely strong motivation to give an unsuccessful life some luster, not only by improving on the truth or telling outright lies, but also by being noticed in a field of activity that enjoyed special prestige in his view.

He became a painter with the splendid talent for creating scenes of monumental force and dreamlike persuasiveness in which odd details intrude without in any way

disturbing the breathtaking nobility of the scene. In "The Sleeping Gypsy," for instance, the gypsy must have about 64 teeth behind her dreamily smiling lips.

But these bizarre points, which account for the sense of "naïveté," contribute to the overall effect and aura of his art. In a sense Rousseau is much more deeply in the right than his more sophisticated contemporaries because, although he is obviously tributary to the reigning cultural notions of his age, he does not indulge in the cultural game that the better adjusted artists can so well play. Instead he devotes himself to the dreams and visions that it is art's business to materialize.

What seems odd in his work also derives from the fact that he emerged from a cultural world that was socially very modest and that he attempted, with earnest awkwardness, to behave in the way that someone of his class could imagine cultured people behaved.

But he had tremendous pride — he was also inclined to purple fits of stubborn fury — and was no doubt aware at times that his situation was a bit incongruous.

Here, as elsewhere, there was a constant ambiguous play between reality and make-believe. In 1908, two years before his death, Picasso and his friends (including Rousseau's defender Apollinaire, Marie Laurencin and Georges Braque) organized a "banquet" in his honor at the Bateau-Lavoir. The thing was done as a joke, but Rousseau accepted the malicious homage with solemn dignity.

One may find some of the smaller works in the exhibit, especially some portraits and views of cities, rather oppressive, but the art theorist finds them rewarding because he can explain how Rousseau, unintentionally, happened to be working along the lines of the major professional modernists of his day. Cézanne was doing strange things with traditional perspective and so was Gauguin, for example. So was Rousseau. But he did it because he had failed to achieve the effects of perspective that various manuals taught.

The large jungle pictures, on the other hand, are magnificent, spacious, luminous, colorful, transparent and obscure — a true dream world. They are surprisingly close to the naïf bestiary and botany of the French cathedrals, though Rousseau actually sought inspiration in illustrated magazines. They mostly belong to the period after the turn of the century when Rousseau was already meeting the future



Henri Rousseau, self-portrait (detail), done in 1890.

great figures of modern art. But some of his most imaginative work — "Surprised!" (1891), "War" (1894) and "The Sleeping Gypsy" (1897) — belong to the preceding century. They show the sort of daring in the use of color that Emile Bernard and Gauguin had discovered in 1888 and that the Fauvists, among whom Rousseau showed his work, would carry to its logical limits.

In these works he gives up the starchy but idiosyncratic attempts, at perspective and launches into big lyrical canvases of imaginary rain forests that every child — and the child in each of us — can instantly recognize. The colors are admirably rich and strong, the light is transparent and darkly mysterious.

Rousseau is not a strange meteor fallen from an idiosyncratic heaven. He was a self-taught artist, which preserved him during his lifetime from the conformity and recognition he dearly yearned for. But he was also a product of his age: a man of modest origins whose ambition ranged beyond the ability of his talent and who was saved from failure by his odd genius. As a result Rousseau appears today as an incarnation of the paradox of art, turning awkwardness to the height of mastery, and a life of material failure into lasting success.

## A Sculptor's Struggle in the Public Arena

By William Wilson  
Los Angeles Times Service

SOUTH BRUNSWICK, New Jersey — In August, ground was broken in San Francisco for a public sculptural memorial to the Jewish Holocaust, to be installed near the California Palace of the Legion of Honor Museum. The monument, scheduled to be unveiled in November, depicts a pile of corpses sprawled behind a barbed-wire fence. A single mournful figure stands staring from behind the barrier.

The work is by George Segal, a leading American sculptor who came to prominence in the 1960s making plaster figures, cast from life and assembled in tableaux of everything from go-go girls to lonely coffee drinkers in diners.

A critically acclaimed traveling retrospective in 1979 cleared any doubts as to Segal's place in the pantheon of contemporary masters of gallery and museum art. After that accolade, the artist could have rested securely in the somewhat rarified realm of curators, critics, collectors and artists. Instead, he ventured into the dicey domain of public sculpture. There, unprotected by institutional imprimatur, art is subject to political pressure and the values of mainstream society, not to mention physical abuse. Segal took to making bronze versions of his vulnerable plaster figures.

Nothing but trouble ever since. Actually, Segal's occasionally antagonistic relations with the Establishment go back at least to 1973. That year, an Israeli foundation invited him to make a monument. Segal used two male figures to retell the story of Abraham and his son Isaac. In the Old Testament story, God orders Abraham to prove his faith by sacrificing his son. Segal's version shows Isaac kneeling before his father, who is armed with a knife. The work was rejected when officials feared it would be interpreted as symbolizing the older generation sacrificing the younger in Israel's wars.

In 1978, Segal offered a second version, "In Memory of Kent State, May 1970," to a private art foundation commissioning a memorial to the students slain by National Guardsmen at Kent State in 1970. After a considerable wrangle, it was rejected by the Ohio university.

Segal will be 60 this year but still has a puckish countenance made slightly serene by a halo of wiry gray hair. He is calm and casually dignified, except when confronted by paradox or absurdity, which ignites an elfin grin.

"My father was a microcosm of the intellectual climate of the day.



Sculptor Segal: "A utopian idealist streak."

He was a kosher butcher with socialist leanings, and a Zionist. He came out here from New York like a number of Jewish families and established a chicken farm. For a while, there was a co-op farm where they tried to combine capitalism and communism. The idea was to train Zionist farmers to till the land in an Israel that did not then exist. In a way, it was the beginning of the kibbutz. I worked on the chicken farm with my dad. When I married my wife, Helen, we started our own farm across the street. We've been married for — I think it's 38 years. Our friends say we are dinosaurs.

"Helen and I have always worked together. She worked the farm with me. I hated farming. I went to art school. For a while after college I taught junior-high-school English. When I could finally give up farming and devote all my time to art, I converted the chicken coop into a studio. Come and take a look."

A meandering building descends a hill from the driveway. It's 30 feet wide and 300 feet long (9 meters by 90 meters).

"Take a look inside. There are quite a few pieces. Since I started working in bronze, I try to keep as

many original plasters as possible. I limit the edition of bronzes in the French style, to only six or seven casts."

"Most of my teachers and the artists I admired most in the early days were Abstract Expressionists. I knew Pollock and De Kooning and went to the Cedar Bar and meetings at the Club. They tried to influence me to jump on the bandwagon of abstraction. I admired the personal intensity of their beliefs, but their art just shut out too much of the real world for me. I wanted to reintroduce subject matter on a higher literary level."

"The whole issue of expressive freedom in public commissions versus private gallery showings is subtler and more paradoxical than their stereotypes. When I submitted the Abraham and Isaac to Kent State, the university president asked me to do a soldier with a flower child putting a blossom into his rifle barrel. I was appalled at his interference with artistic free expression and his sophomoric thinking. When I refused, he called me 'a disobedient young man,' as if the artist were his servant. He said the implications of the Abraham version were violent. I see them as gentle and philosophical."

"On the other hand, most com-

missioners are not philistines but artistically sophisticated people. Art galleries that are supposed to be bastions of commercialism can turn out to be the last refuge of free expression. For example, it is easier for me to deal with religious or philosophical themes in a gallery than in a synagogue.

Ever since the '60s, "art and technology" movement artists increasingly want to be accepted into the larger community, Segal said. "A critic like Hilton Kramer doesn't think it's possible for an artist to satisfy popular taste and also maintain high standards. I think it is possible. I don't like competing for commissions because some times I am up against my best friends, but I do it. I confess to a utopian idealist streak. I've had many abstract artist friends who were idealistic. They joined movements and went on peace marches, but those ideals were carefully shielded from entering their work. I see no harm in trying to knit your life into one piece."

"Making a work takes weeks or months. I scrutinize it hard for hundreds of hours and adjust it to get the right philosophical nuances. I read. I read eight books on the Holocaust doing that work. For Kent State, I read Kirkcaldy and people. Do you know I met people who thought that more students should have been killed? To teach them a lesson," they said. Can you believe that?"

By this time, Segal had strolled into the last studio of the endless chicken coop. It contains the Holocaust plaster. The piled "corpses" fall into a variety of attitudes suggesting sleep, protectiveness or agony. One prominent nude female figure has overtaken of orgasm.

"It represents my own convictions about the Holocaust. A mayor's committee of 40 in San Francisco chose it in a competition as also representing their yearnings. The people commissioning it represent the survivors in San Francisco, where there are more than 2,000 people who were in the camps. They combined with representatives of the established Jewish community that goes back to Gold Rush days and some sympathetic non-Jews, mostly from the art sphere."

"I think it is important because the killing was so efficient, so terrifyingly effective and impersonal, all because of 20th-century technology. Anxiety about genocide to me is exactly like today's fears about a nuclear holocaust. Both are 20th-century problems that demand attention."

## Presley Records to Be Rereleased

The Associated Press

NEW YORK — RCA Records has announced it will release a series of long out-of-print Elvis Presley records over the next year.

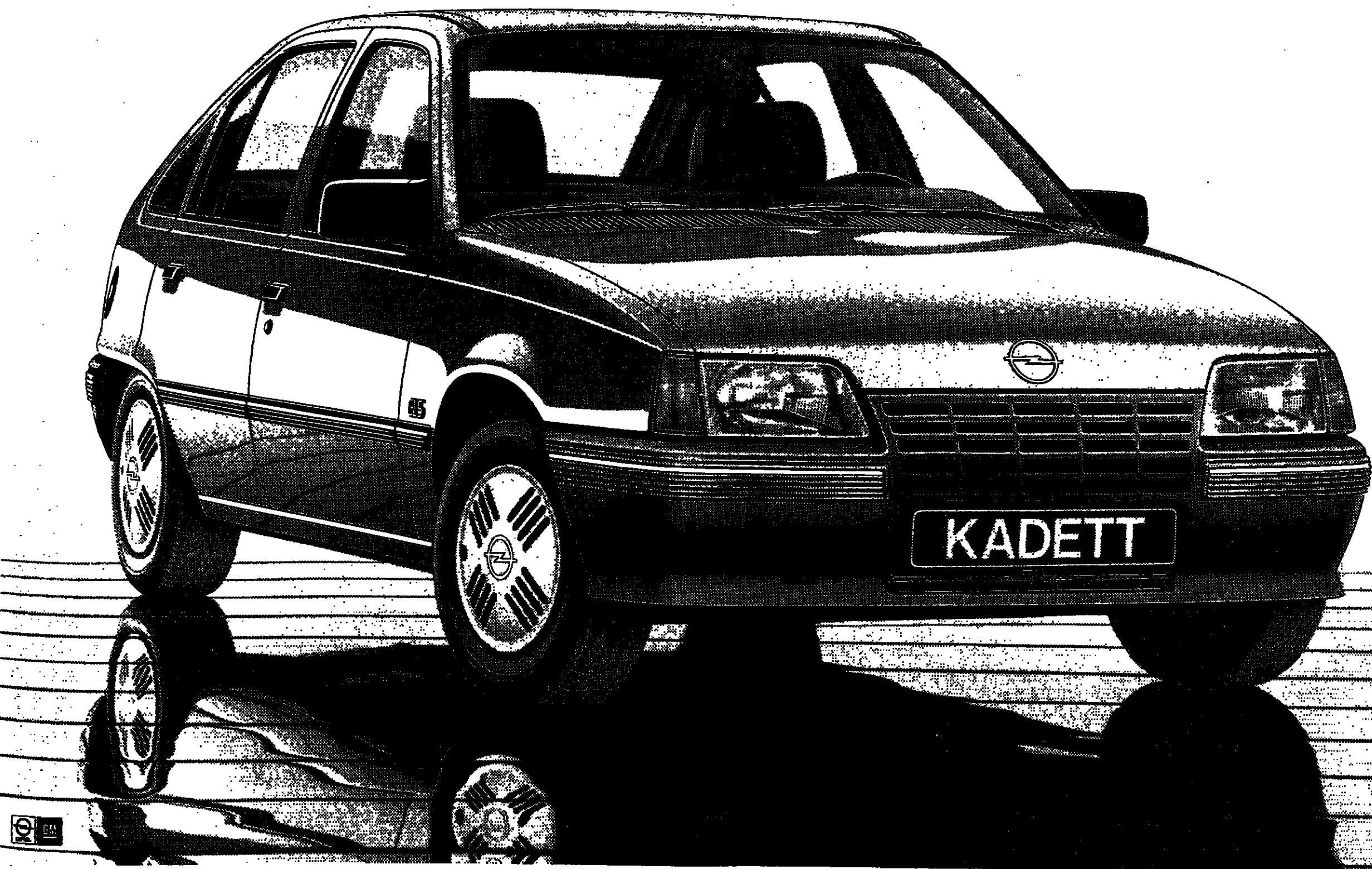
The releases will include a six-record, boxed set of live performances; monaural re-releases of four early albums, and two singles "six-packs," with 12 hits each.

The set of live performances, called "Elvis Presley — a Golden Celebration," includes a recording

of the performance Presley gave on television's Ed Sullivan Show in 1956 — a performance that brought the 21-year-old Presley to national attention.

The four albums to be released in mono are "Elvis Presley," the 1956 album that includes "Blue Suede Shoes;" "Elvis," also from 1956; "Elvis' Golden Records," the 1958 album with "Jailhouse Rock" and "Love Me Tender," and the 1959 album "50,000 Elvis Fans Can't Be Wrong."

## New Opel Kadett. Human Technology.



The new Opel Kadett was designed and built with one person in mind:

You.

We analyzed your driving needs and habits. We tested your field of vision. We simulated the movements of your arms and legs over and over again. We measured your body and its

different positions while you drive.

All this data fills miles of computer print-outs. We made it the foundation for a car that has been literally built around you, from its conception and development all the way through its construction.

This is why the new Opel Kadett has more interior space. With instru-

ments that you can read at a glance and outstanding all-round vision.

With fuel economy that is improved by its aerodynamic design. And a new level of reliability.

You see, despite the progress of science and technology, we believe it means nothing unless we use it for your benefit.

This is why we call it Human Technology. It starts with you and it ends with you.

Drive one at your Opel dealership.

**OPEL**  
PROVEN PROGRESS



# NYSE Share Prices End Lower

Compiled by Our Staff From Dispatches

NEW YORK — Share prices closed sharply lower on the New York Stock Exchange in a late selloff as investors expressed disappointment that major U.S. banks did not follow Morgan Guaranty's lead to a lower prime lending rate.

The Dow Jones industrial average, which moved lower at the outset of trading but was up more than 12 points after the prime-rate cut, finished 14.80 lower at 1,294.74.

Deemed advanced by 18-10-7, among the 1,996 issues traded. Volume grew to 121.5 million shares, from 92.03 million traded Thursday.

Analysts said the stock market's fate Friday may have been predestined by the surprisingly large \$7.8-billion increase in the U.S. money supply announced late Thursday.

Analysts said there may also have been investors who were disappointed that the strike against General Motors, which many thought would further slow down the economy, was settled so quickly. The United Auto Workers union and GM announced Friday that they had agreed on a new three-year contract.

Because GM did not immediately disclose the wage terms in the new pact, some investors may have feared that it would be inflationary, analysts said.

Earlier Friday, the government announced that the consumer price index for August rose 0.1 percent compared with an 0.3-percent jump in July. The August figure was higher than some analysts had expected.

Larry Wachtel of Prudential-Bache Securities said the initial assumption on Wall Street was that the cut in the prime "was going to be a broad-based decline."

L. Crandall Hays of Robert Baird & Sons echoed the predominant opinion on Wall Street. "With GM and the prime rate, I figured the market would take off. Wrong again," he said.

One stock that did take off was Northwest Industries, which rose 10 1/4 to 61 after announcing on Thursday that its management agreed to a leveraged buyout.

Ex-AT&T subsidiaries crowded the active list. Nynex was off 1/4 to 7 1/4, Southwestern Bell Corp. was up 1/4 to 65 1/4 and U.S. West up 1/4 to 65 1/4.

Eastman Kodak was up 1 1/4 to 73 1/4. The company announced an improvement in its disk film.

United Technologies fell 1/4 to 37 1/4. The company issued a statement to allay fears that its board had lost confidence in the chairman, Harry Gray.

Financial Corp. of America, which is very interest rate sensitive, fell 1 1/4 to 7 1/4 for a 15-percent drop in price.

Central Maine power fell 1/4 to 10. On Thursday the company cut its dividend and Friday it said it may reconsider its participation in a nuclear power plant.

Avco, which rose sharply earlier this week on takeover speculation, backtracked to 33 1/4, down 1 1/2.

Disney, which is faced with a takeover threat from Irwin Jacobs, an investor, rose 1 to 63 1/4.

(Reuters, UPI)

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close
12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close	12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close		

[illegible]

هكذا من الأصل



## A SPECIAL REPORT ON THE NORDIC COUNTRIES

## Revival: Rising Exports, Lower Inflation

(Continued From Previous Page)

tional budget have swollen disproportionately to the rise in industrial activity, resulting in increased government borrowing abroad and domestically.

However, there are signs that Nordic governments are coming to grips with the problem of balancing their budgets, notably in Denmark and Sweden where the problem has been the most pressing.

Denmark has shown GDP growth well above the OECD average over the last two years. In its combined economic report, the industry federations of the five Nordic countries forecast Danish GDP growth of 3.5 percent this year, compared with a 2.5-percent rise in volume in 1983.

"The relatively strong growth in the Danish economy is partly a result of the moderate international recovery and partly the consequence of a reorientation of domestic economic policy," the federations wrote.

The main priority of the four-party, non-Socialist minority coalition, which took office in September 1982, has been to eliminate or alleviate imbalances in the Danish economy, notably the current-account deficit, the swollen public sector borrowing requirement and hitherto unprecedented jobless levels.

By pursuing a stringent incomes policy and retaining a fixed exchange rate of the Danish krone, vis-à-vis the European Monetary System, the government of Prime Minister Paul Schlüter has succeeded in dampening the rate of inflation and of interest, and in laying the groundwork for stronger growth in the Danish corporate sector.

"Total corporate investment [excluding oil and gas] will be about 15 percent up [by volume] in 1984. Even though the starting point is low, a significant reversal of recent years' considerable fall is involved—not the least in industrial investment," the four commercial Nordic banks wrote in the Danish section of their report.

The banks forecast that the export-led recovery for Denmark should continue into 1985, prompting more jobs and an improvement in the current account, provided inflation and interest rates are kept under control.

But the government success in its economic and financial policies is

qualified. The rising value of the dollar on foreign-exchange markets has dented Denmark's terms of trade and made the repayment of its foreign debt—largely denominated in dollars—more expensive.

In its draft budget for 1985, the government raised its earlier forecast of a 1984 current-account deficit from 12 billion to 15 billion Danish kroner, while the outlook for next year is only slightly less dim. Interest repayments on the government debt now form the single largest outlay in budget expenditure.

This factor, together with a surge in money supply and in bank lending to customers, has given rise for concern, especially at the country's central bank.

Alarmed at an increasing trade deficit, which was brought on in large part as a rise in imports as Denmark's export-led industrial performance got under way, the Central Bank moved to curb credit expansion by ordering Danish banks to adhere to guidelines laid down by the agency. The banks have until the end of September to bring their credit expansion down to the desired guidelines. Failure to do so will result in the offending

banks being obliged to lodge special deposits with the Central Bank.

However, economists and bankers in Copenhagen agree that if the government succeeds in adhering to its targets of reducing the current-account deficit, bringing public-sector borrowing under control and unemployment levels to more manageable levels, the Danish economy stands a good chance of being placed on a more equal footing than in earlier years.

As Finance Minister Palle Simonsen put it recently: "It is a long and hard process back to equilibrium in the Danish economy."

Finland has not been beset to such an extent by the problems facing its Nordic neighbors. Its current-account deficit is low, its central government financing requirements easy to control and inflation manageable.

Its problem, as government economists explained in Helsinki, has been more a case of learning how to cope with economic success than on how to achieve it.

"The cyclical (economic) recovery is at present changing into a moderate boom, which may last until the middle of next year," the Finnish Finance Ministry noted in

a recent economic report. As a result, it was not only possible but also necessary to continue pursuing a tight economic policy to decelerate the rate of inflation further, the ministry added.

According to the industry federations' report, Finnish GDP is expected to grow by 4 percent in 1984 and by the same in 1985 after a 3.1-percent increase last year, the largest volume growth of all the Nordic countries and well above the average for the OECD area.

Exports have continued to grow rapidly, with the trade account of the first half of 1984 estimated by the Finance Ministry to show a surplus of more than 4 billion Finnish marks, compared with 400 million in the year-ago period. This factor, the industry federations' report estimates, should result in a current-account deficit of less than \$800 million equivalent.

Private consumption and domestic demand are being kept under control, while the volume of manufacturing production is expected to continue growing. Output in Finland's important forest industry is up, and timber sales, which are factored in dollars, are being lent a helping hand by a stronger dollar.

The labor force is forecast to grow by 35,000, or 1.5 percent, this year and the unemployment rate is expected to diminish further, while inflation will be kept to below 6 percent on an annual basis, the government said.

Of the five Nordic economies, Iceland's underwent the most wrenching of changes last year. A new government took office in May 1983 and immediately set about reducing the country's explosive inflation rate, calculated at one stage last year to have jumped 150 percent on an annual basis.

Drastic policy measures were introduced, including a devaluation of the krona and a ban on wage indexation, which helped to bring the inflation rate down to more manageable levels of about 15 percent.

At the same time, GDP fell by 5.5 percent in 1983, with the main factor behind the decline being a 25-percent reduction in the cod catch, the staple of the Icelandic economy.

GDP this year is expected to drop by 2 percent, the government seeks to diversify its industrial base away from too heavy a dependence on fishing, while domestic expenditure is forecast to decline. The current account is expected to remain in deficit, at about 2 percent of GDP. There are indications, however, that the economy will begin to grow again in 1985.

In the case of Norway, the international economic recovery has led to a revival in the traditional export areas of industry, such as metals, engineering and chemicals—

branches that have been dangerously overshadowed in the past by the demands of the country's beleaguered offshore oil and gas industry.

In its revised national budget for 1984 published earlier this year, the coalition government of non-Socialists forecast that total GDP would grow by 2.1 percent in 1984, compared with a 3.2-percent increase last year, with demand for investment in the oil sector slowing.

The oil and gas production sector remains the largest single contributor to GDP growth and is unlikely to alter in the foreseeable future, economists in Oslo said.

While manufacturing production fell by 1.1 percent in 1983 and by 0.8 percent in 1982, the industry federations forecast that in 1984 there might be some growth registered in manufacturing. "The export competing sectors, such as producers of metal, ferro-alloys, chemicals, pulp and paper, increased their production, while production declined in import competing sectors. The decline was strongest for shipbuilding and textiles and wearing apparel," the federations reported.

The production record of 55 million metric tons of oil equivalents in Norway's offshore oil and gas sector last year largely contributed to the current-account surplus of 16 billion kroner. Latest official statistics published in Oslo suggest that this figure will be exceeded this year.

The government has succeeded

in bringing inflation down from 11.3 percent in 1982 to a current level of about 6.5 percent. But interest rates have risen and unemployment rates have shown little decline, factors that if not remedied will pose a challenge to the ruling coalition of Prime Minister Kaare Willoch in the run-up to the general elections in September of next year.

In Sweden's case, the export-led recovery of its powerful industrial base has not been without its problems. The Social Democratic government of Prime Minister Olof Palme has had to cope with declining popularity when many of its 1982 election promises remained unfulfilled because of the reality of coping with severe problems in the economic and industrial structure.

Prolonged economic recession, sharp declines in industrial investments and real incomes, as well as an accelerating national debt and public-sector expenditure, have all been difficult to come to terms with, particularly in an affluent society such as Sweden.

The 16-percent devaluation of the krona nearly two years ago had the desired effect of nudging industry into improved competitiveness, igniting an export-led boom and expanding corporate profits to an unprecedented degree. But it also had its ill effects, economists in Stockholm said. The currency adjustment fueled inflation way beyond the government's desired ceiling of 4 percent this year as well as prompting a series of high wage

settlements out of tune with the government's policies.

The result was a tough series of government measures imposing a price freeze, a cap on dividends and mandatory savings introduced on April 12. The price freeze was lifted on June 28 this year, but at the same time the Swedish Central Bank raised the discount rate from 8.5 to 9.5 percent in an effort to curb credit expansion.

The harsh measures have gone hand in hand with an economic upsurge, which bodes well for the overall structure of the Swedish economy in coming years, the economists noted.

GDP is expected to grow by 2.6 percent this year, after 2.3 percent growth in 1983, while industrial investments are forecast to jump by 20 percent after a 3.4 percent drop in 1983, which should restore the investment level in real terms to levels seen in the early 1970s.

Sweden's trade balance is healthy, recording a surplus of 16.2 billion kroner in the first seven months of this year, a 60-percent leap on the year-ago period, while the current account, according to the industry federations' report, should be in balance this year and even record a slight surplus in 1985.

Inflation has been brought down to an annual level of about 7 percent, although unemployment levels have not declined appreciably, a factor that could work against a Social Democratic government committed to full employment, bankers in Stockholm said.

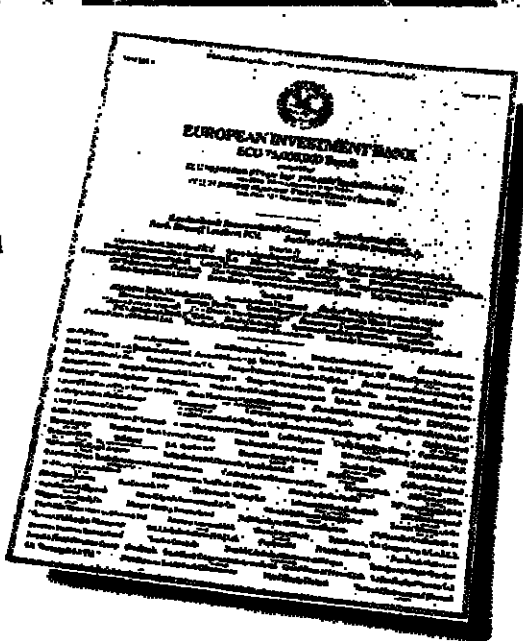
Some of our smallest advertisements are read with a maximum of thoroughness.



A "tombstone" is not very spacious. But within international financial circles you rarely miss any. Since Sparekassen SDS went abroad in 1977, we have established ourselves several places around the world.

- 1977: SDS opens a branch on the Cayman Islands.
- 1979: SDS establishes in London by acquiring 25 percent of the share capital in the London Interstate Bank.
- Dec. 1983: As the first Danish bank SDS participates as lead manager in the arranging of an ECU-debtenture loan for the EEC. The bonds are quoted on the Copenhagen Stock Exchange as the first one denominated in foreign currency.
- Jan. 1984: SDS participates as lead manager in an ECU-bond for the European Investment Bank.
- March 1984: SDS arranges an ECU-loan for the European Coal and Steel Community and for the Nordic Investment Bank.
- April 1984: SDS contracts an international debtenture loan in US-dollars.
- April 1984: SDS establishes a representative office in Singapore.
- July 1984: SDS acquires the full share capital of London Interstate Bank.

By such means SDS has gained a foothold in the international financial world in a very short time, and today SDS is as known abroad as in Denmark and is considered one of the leading banks in the ECU-market.



SPAREKASSEN SDS

## Norway: Larger Role in Capital Markets

(Continued From Previous Page)

reflected in the type of borrower having recourse to the Eurokrone bond market. "For the first time, the authorities accepted a sovereign state borrower to participate in the market, in the form of Finland launching a five-year, 200-million kroner issue last May," Mr. Kallander said.

Up to that date, the borrowers had been usually Norwegian institutions, corporations or municipalities, such as Eksportfinans, Norsk Hydro or the City of Oslo. Now the ranks have expanded to include Nordic supranational borrowers, such as Scandinavian Airlines System, which raised 200 million kroner earlier this year. "With SAS, the potential for new borrowers has been increased," Mr. Kallander said.

Commercial bankers are careful to note, however, that domestic Norwegian borrowers will occupy an equally important place in the market in the future, as the authorities wish to maintain the national character of the market, and thus its international appeal.

"We have a long list of international clients interested in tapping

the market, but we don't want them to saturate the market at the expense of equally top-class domestic corporate or institutional borrowers," an Oslo banker said.

Neither the European Investment Bank nor the European Community are accepted as yet as potential borrowers, partly out of policy reasons, as Norway is not a member of the EC, and partly because this would mean that the market would have to embrace a wider palette of supranational agency borrowers at a time when capacity remains confined.

Foreign companies, which have tapped the market in the past, such as Gaz de France, must have a valid Norwegian connection, as, for example, seeking to engage in Norway's offshore oil and gas exploration and development, energy industrial offices said.

Venture-capital investments in Norway's expanding high-technology companies, such as the computer firm Norsk Data, will require additional funding in the future and the Eurokrone market provides a suitable niche in this respect, Oslo bankers said.

Foreign investors in the Euro-

krona bond market are attracted primarily for two reasons: Firstly, confidence in the Norwegian currency's continued stability and, secondly, because of the prevailing bond rate and return on yield, bankers said.

Investors from European countries, such as West Germany, Austria and Switzerland, enjoy a sizeable yield differential between those of their respective domestic markets and those of Norway. "We have seen a tremendous increase in demand from abroad because of the yield differential," Mr. Kallander said.

A West German investor, for example, would secure a yield of 4 1/2 percentage points above those prevailing on the German market if he bought Norwegian Eurokrone bonds. Moreover, if he opted for one of the five-year to seven-year maturities usually characterizing the krona bonds, at a guaranteed yield of 4 1/2 percent per year, he would still stand to break even on his return on investment even if the Norwegian krona depreciated by 22 percent against the Deutsch mark over five years.

"But such a depreciation is highly unlikely as the currency risk is

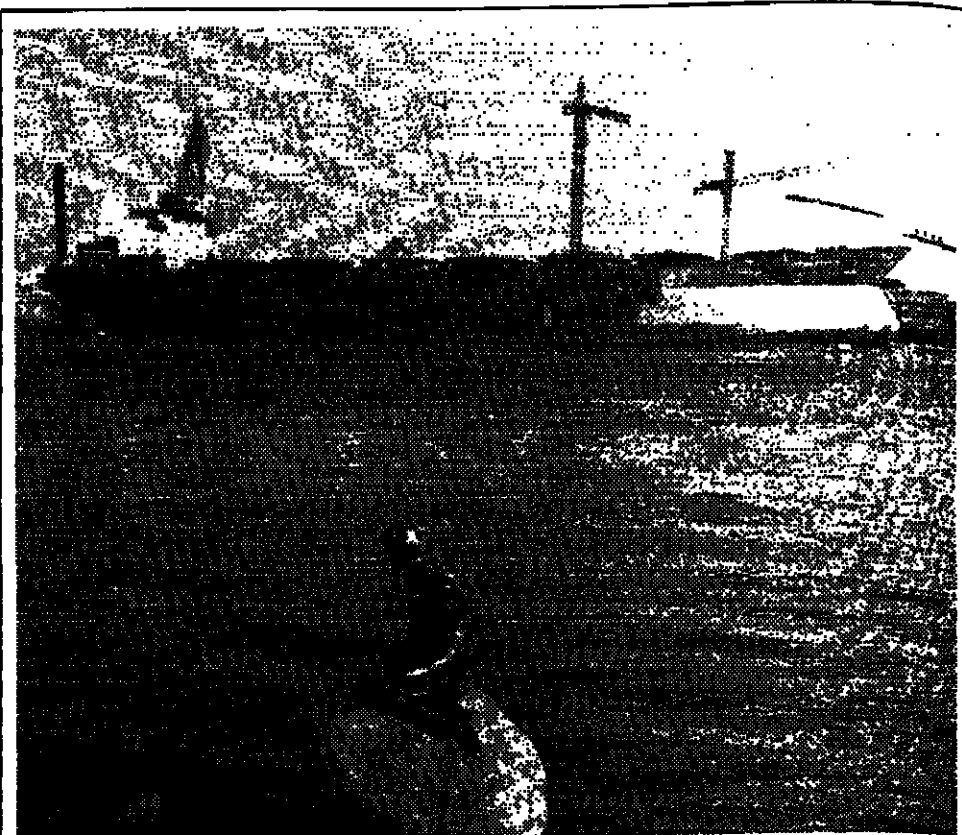
minimal when measured against the yield margin covering the risk," Mr. Kallander added.

Besides, the Norwegian krona is fully convertible, there is no fear of withholding tax being levied and it can be bought without any restrictions. On the other hand, if the investor wishes to enter the domestic Norwegian bond market, a purchasing limit of one million kroner applies and transactions must be registered with Central Bank authorities, ruling out the advantage of anonymity.

However, these rules also are likely to be relaxed in the near future, as a government white paper recently proposed that the limit be raised to 10 million kroner.

Norway also took steps to liberalize its foreign-exchange restrictions last June, when it moved to relax rules governing portfolio investment opportunities for both Norwegians and foreigners. Norwegians now may purchase Norwegian krona bonds in the domestic secondary market, regardless of issuer, while a license arrangement permitting banks to make krona loans to foreigners will go into effect next year.

—MICHAEL METCALFE



Copenhagen's mermaid statue, and a ship under construction across the water.

# BANQUE INDOSUEZ IN NORDIC COUNTRIES. A WHOLE WORLD OF OPPORTUNITIES.

Banque Indosuez is the only European bank established in the four Nordic countries (Denmark, Finland, Norway and Sweden).

This network in Nordic countries is part of the bank's comprehensive international network now covering 65 countries.

In Western Europe, Banque Indosuez is present in all the major countries.

A French international bank with human dimensions, a reliable partner aiding business to expand, providing trade an export financing: Banque Indosuez opens up a whole world of opportunities.



BANQUE INDOSUEZ

A whole world of opportunities

Paris: Head Office: 96, boulevard Haussmann - 75008 Paris





Rolls of newsprint in Kemi, Finland.

## Sweden Is Expected to Allow Small Foreign Bank Presence

STOCKHOLM — Sweden, the last of the Western European nations to open its financial markets to foreign banks, is expected to allow a limited presence of small foreign banks in the near future.

A government committee appointed by the Social Democratic administration in 1983 has been working at a rapid pace on the question and is due to report its findings later this month, Swedish bankers said.

Pressure on the Swedish government has built up, not only from its Nordic neighbors who feel that the move will facilitate cross-border banking relations, but also from the commercial banking sector, which believes the time is ripe for reciprocity to come into play.

For the last few years, Swedish banks have expanded into international markets in a big way. If, by setting up wholly owned subsidiaries and going into consortia partnerships or majority holdings, they are turning in sizable profits from foreign banking operations, then the Swedish authorities cannot be expected to keep the door shut.

As Curt Olsson, newly appointed chairman of Skandinaviska Enskilda Banken, Sweden's largest commercial bank, has pointed out: "In my opinion, I think it's shared by most bankers in Sweden that we can't claim free trade for anything but for banking. In that respect, we have to accept that foreign banks come in with their branches or at least with subsidiaries."

The current status of foreign banks in Sweden is limited to representative offices, and no fewer than 26 have opened offices since 1974. They range from Credit Lyonnais among the seven French banks to Chase Manhattan among the four U.S. offices, as well as four British and one Japanese.

Up to 12 foreign banks, some of these already represented in Stockholm, are expected to apply for permission to set up subsidiaries when the law is changed. As there are no more than 15 domestic commercial banks currently operating in Sweden, the authorities will be keen to limit the initial influx.

The same limitations will apply to foreign banks wishing to set up business in Oslo. "As many as nine banks are in for applications and we expect them to start obtaining licenses as from January," said Birger Langland, assistant general manager at Den Norske Creditbank, Norway's largest commercial bank.

The Norwegian Central Bank wrote in a recent summary of a government-appointed commission's findings ruling in favor of foreign banks' establishing business that "in the view of the commission, any such establishments ought to be in the form of subsidiaries."

The banking authorities in Oslo stipulate that the foreign banks will be subject to the same strict conditions and rules applying to domestic banks and that the entry of foreign banks onto the domestic scene must take place in an orderly and controlled fashion. Among the nine applicants are three U.S. banks, three French, two Swedish and one British merchant bank.

On the subject of increased competition arising from the influx, Mr. Langland said: "We feel on the whole that it will make Oslo a better market place. The clients will be happier and we have to be happy with that."

Mr. Langland concedes that the going will get tougher and that the new banks, in seeking local personnel to staff their offices, could create staffing problems, particularly in foreign-exchange business, where skilled manning is much in demand and hard to find.

Two countries in the Nordic area with experience of a foreign banking presence at home are Denmark and Finland. Copenhagen was the first Nordic capital to open its doors to banks from abroad, soon after Denmark joined the European Community in 1974. Finland so far has permitted three banks to establish subsidiaries in Helsinki since banking regulations were relaxed in 1979.

In the case of Denmark, banks such as Chase Manhattan, Bank of America and Standard Chartered were soon enjoying the privileges and profits of either a full-branch bank or that of a subsidiary. While shunning the retail business, which is largely sewn up by the myriad Danish commercial and savings banks operating throughout the country of five million inhabitants, the Copenhagen-based foreign banks soon entered the lucrative corporate client business and foreign-exchange trading, where the competitive sting has been felt the most.

Much the same applies to Finland, where Citibank and Chase Manhattan of the United States, and the Banque de l'Indochine et de Suez of France are the only three banks to have entered the fray.

"We have seen, since foreign banks started in the free corporate market, a tremendous cut in margins, especially in foreign-exchange and customer business, but it is also true that there have been cuts in the commissions for bank guarantees, for letters of credit, for export-import financing," said Gustav Mattson of Bank of Helsinki, a commercial bank.

If competition for business has stepped up in Copenhagen and Helsinki, the pending arrival of foreign banks in both Oslo and Stockholm has led to a number of significant regrouping maneuvers among Nordic banks.

Three of the largest commercial banks in the region late last month announced a merger cooperation agreement under which each of the partner banks will represent the other two in its domestic market, as well as envisaging closer cooperation in the international field. The new group, known as Scandinavian Banking Partners, comprises Skandinaviska Enskilda Banken of Sweden, Bergen Bank of Norway and Union Bank of Finland. It embraces the largest cooperation agreement to date in the region's banking sector.

Under the terms of the pact, rather than forming subsidiaries in

each of the three countries, the partners will, through their combined network of 850 branches, offer customers fast money transfers and efficient cash management services.

"In addition, their customers will have better access to credits in local currency than would have been the case if individual subsidiaries were set up," a press release from the three banks stated.

Commercial bankers in the region characterized the agreement as a long-term plan to counter the effect of a possible increase in competition from foreign banks as they enter Sweden and Norway in the near future.

Another example of cooperation is a joint venture by two local Swedish banks, Uplandsbanken and Wermlandsbanken, to seek application to be admitted to Norway as a joint subsidiary.

The Norwegian authorities, however, have made it clear that Swedish banks will only be allowed to enter the Oslo market once Sweden changes its banking regulations to permit Norwegian — as well as other foreign — banks to operate on Swedish soil.

"Unless Norwegian banks are allowed to enter the Swedish banking market, their Swedish counterparts will not be permitted to enter ours," the Norwegian finance Minister Rolf Presthus stated recently.

In both Sweden and Norway, a number of important banking obstacles exist that will have to be drastically amended or abolished before foreign banks are allowed entry.

According to Swedish banking law, foreign banks may not conduct business involving deposit and lending operations from establishments in Sweden. Their business, as is currently the case in Norway, is thus confined to representative offices. Moreover, foreign acquisition or participation in Swedish domestic banks is not permitted, thus ruling out the possibility of a minority or majority holding to gain access to the domestic capital market. In Norway, foreigners are allowed, without a license, to acquire up to a total of 10 percent, and with government permission up to 25 percent, of the share capital in Norwegian banks.

Once foreign banks are allowed to establish subsidiaries in Oslo and Stockholm, they will have to follow the course of Copenhagen and Helsinki and provide a firm capital base. In Denmark, for example, branches of foreign banks must have a registered paid-up capital of at least 25 million kroner, which is the minimum capital requirement applying to Danish banks.

In Stockholm, commercial bankers estimated that the registered paid-up capital will be limited to a maximum of 75 million kroner, while similar requirements are likely to apply in Oslo.

But while their access will remain limited, the top priority of the foreign banks entering Stockholm and Oslo will lie in offering corporate clients the benefits and sophistication of their parents' international services and trading network. In this area, they have been successful in Copenhagen and Helsinki, and the powerful industrial base of Sweden and the north Sea oil riches of Norway will help to ensure that there will be plenty of business for them there too.

— MICHAEL METCALFE

## Denmark: Era of Competitiveness in Home Market And Expansion Abroad as Capital Profits Boom

By Christopher Follert

COPENHAGEN — Nineteen-eighty-three was a boom year for Denmark's banking sector, which is about to enter a new era of competitiveness on the home market and rapid expansion abroad.

Due to unprecedented capital gains on their holdings of bonds and stocks last year, when effective Danish domestic interest rates fell from 20 to 13 percent, virtually all of Denmark's 80 commercial banks and 150 savings banks reported large increases in 1983 pre-tax profits, after-tax returns on equity ranging from 40 percent at the low end of the scale to 97 percent for the most dynamic performer, the Jutland-based Jyske Bank.

In some cases, gross earnings tripled. It was these enormous capital gains from the banks' holdings of bonds and shares that turned their otherwise considerable operating losses into vast profits.

Denmark's commercial banks recorded combined operating losses of 1 billion kroner last year, more than three times higher than in 1982, which capital gains in the booming Copenhagen stock exchange transformed into record total pre-tax profits of 14.6 billion kroner.

The deceptive nature of the bank boom gave rise to fears among bankers of a worrying trend toward lower returns on conventional banking activities and higher running costs, which last year showed an 11.6-percent increase. Despite the record profits, none of the major banks increased their dividends last year, choosing instead to boost their reserves and strengthen their capital base.

According to the Danish Banking Association, while banks this year cannot technically expect a

continuation of last year's stocks and bonds bonanza, there are encouraging signs of a steady improvement in cutting back their bloated operating losses, trading results having improved by 59 percent during the first half of the year.

The association predicts variable results for banks this year, with the top three commercial banks, Den Danske Bank, Copenhagen Handelsbank and Privatbanken, all expected to announce reduced pre-tax profits at the end of the year after mixed performances in the first six months of 1984, due to significant depreciation losses.

More mergers are also anticipated as the domestic market becomes more competitive.

"I anticipate considerable movement in Danish banking in the next few years," said Peter Wendt, chief economist at Sparekassen SDS, the country's largest group of savings banks and currently Denmark's fourth-biggest bank.

"I foresee quite a number of mergers — particularly among smaller and medium-size banks," he said.

Larger banks could also merge, affecting the 18 largest institutions, other bankers predict. With a population of only 5 million, there is room for a certain amount of rationalization within Denmark's banking sector without creating any drop in competition or customer choice.

One of the principal reasons that medium-size Danish banks are seeking to strengthen their domestic base is as a first step toward expanding abroad.

The trend started last year with Jyske Bank and Varde Bank (both in Jutland and medium-size) taking over two old-fashioned smaller banks — Vendelboebanken and

Henriques Bank — which had fallen on hard times.

Earlier this year, two small savings banks, Vestsjælland and Trundholm, merged, as did the Sjælland and Frederiksborg banks, which fused into Kronebanken.

Both are on the main Baltic island of Zealand, on which Copenhagen is situated.

There is continued speculation that Provisbanken, based in Aarhus, Denmark's second city, currently the sixth biggest Danish commercial bank, and the mid-Jutland banks Midt-Bank and Aktiv-

banken, might amalgamate with or absorb other banks.

With international business growing in importance — it accounts for up to 35 percent of the earnings of Denmark's major banks — the trend toward amalgamation and expansion is easy to understand.

The desire to expand overseas also reflects the surge in competition in the previously rather soporific Danish banking world, which followed the Danish Bank Reform Act of 1974, putting Danish savings banks — uniquely in the world — on an equal footing with commercial banks, giving them access

to lucrative foreign markets, as well as allowing foreign banks to operate in Denmark.

While in-bank and interbank automation is in an advanced stage in Denmark, automated payment systems for the public are relatively undeveloped.

DANKORT, which loosely translates as Danecard, an ambitious automated electronic bank payment-transfer card system to embrace all shops and banks nationwide eventually and introduced last year, is only targeted to be on-line for retail outlets by the end of the decade.

INVESTMENT BANKING IN SWEDEN

**WH&CO**

WINSTON HANSSON & CO FONDKOMMISSION AB

CORPORATE FINANCE MERGERS & ACQUISITIONS  
SECURITIES DEALING PORTFOLIO MANAGEMENT

Box 2274 S-103 17 STOCKHOLM, PHONE +46 8 2402 60 TELE 15707 WINBOND

## Correspondent Banking with Sweden



## Growth area or financial jungle?

Moving into the growth markets of Sweden and Scandinavia is a bit like entering one of our forests. You can either end up hopelessly lost or you can find the experience profitable and worthwhile.

It all depends on whether or not you have a reliable, trustworthy guide — a partner who really knows the way around.

And it's hard to find a Nordic business partner more reliable than SwedBank.

With assets of more than US\$12 billion, SwedBank is the fourth largest banking group in Scandinavia, with access to the most comprehensive branch network in Sweden and more than a third of Sweden's

total deposits. As a result we are able to offer specialised, experienced and thoroughly professional Kroner financing and clearing capability. Our foreign exchange operation is equally impressive.

Most important of all, we are as eager to extend our correspondent banking network as you are — precisely why we're prepared to invest more time and effort in a reciprocal relationship than a great many of our competitors.

It's a very different philosophy. And, if you're ready to move into our neck of the woods, you'd be well advised to find out more about it.

Call or write today.



**SWEDBANK**  
DOMESTIC NAME: SPARBANKERNA BANK

SwedBank — an excellent name for International Banking

Head Office: S-105 34 Stockholm, Sweden. Telephone: 08-22 23 20 Telex: 12826 SWEDBNK S.  
Representative Offices: The Old Deanery, Dean's Court, London EC4V 5AA Telephone: 01-236 4060.  
Pereulok Sadovskikh 4, Apt. 2, 103001 Moscow. Telephone: 209 6836.  
Affiliated Banks: Fennoscandia Limited, London. Banque Nord Europe SA, Luxembourg.

## Wage-Earner Funds: An Anti-Climax

(Continued From Page 9)

funds could be used as a socialization tool, a foreign body in the Swedish economy" if they were accepted and forgotten during the seven-year mandate for the plan.

However, if Sweden's Social Democrats lose the fall 1985 elections, all three major opposition parties have promised to abolish the funds when they form a government. After the bitter debate preceding the 1982 elections and lasting into 1983, when more than 100,000 businessmen and fund opponents marched on Sweden's parliament, the Riksdag, on October 4, observers think that Social Democrats under Prime Minister Olof Palme do not want another campaign marred by the funds dispute.

"Most probably, they [the funds] will keep a conservative, low profile up to the elections," said Danne Nordling, chief of research at Näringslivet Ekonomiska, an information service operated jointly by

the SIF and the Swedish employers' federation. "The Social Democrats don't want another funds debate before the next election; they want to tell the people these funds are nothing more than normal investors, and they are not dangerous," Mr. Nordling said.

Politically, observers say, the funds represent not only the traditional debate between socialist and non-socialist in Swedish politics, but also a divergence of opinion within the closely knit Social Democratic and labor movements.

"The funds were an idea the Social Democrats never fully accepted," said SIF's Mr. Meyerson, explaining that the original Meidner Plan was the product of radical thinkers in the LO that have been losing ground within the union and Social Democratic movement as a whole. (Rudolf Meidner, a Social Democrat and an LO economist was the prime mover behind the establishment of the wage earner funds.)

Opinions shifted to favor the traditional, mixed-economy advocates, such as Mr. Feldt, but the party, especially in the eyes of LO, was still committed to the funds as a means of redistributing wealth and power from capitalists to workers.

"The whole politics of the funds ended up with a solution that conforms to the market economy, but the labor movement can't come out and say no," Mr. Meyerson said. "Nobody predicted or wanted these kinds of funds. It is a very strange situation."

Mr. Edin, at one time an associate of Mr. Meidner, who is retired, admitted that the original bold proposal for workers' control of Swedish industry has been changed through debate and discussion within the labor movement. "The political process, in this sense, tested the idea, and the result was a judgment of what is not only technically, but politically possible," he said.



This announcement appears as a matter of record only.



**City of Oslo**  
(Kingdom of Norway)

NOK 150,000,000

11¼% Notes due 1991

Issue Price 100%

Sparebanken Oslo Akershus

Algemene Bank Nederland N.V. BankAmerica Capital Markets Group  
Bank of Tokyo International Bergen Bank A/S Christiania Bank og Kreditkasse  
Credit Suisse First Boston Daiwa Europe Den norske Creditbank Deutsche Bank  
Kleinwort, Benson Kredietbank International Group Merrill Lynch Capital Markets  
Morgan Guaranty Ltd The Nikko Securities Co. (Europe) Ltd.  
Prudential-Bache Securities Société Générale de Banque S.A. Union Bank of Norway Ltd.  
S.G. Warburg & Co. Ltd. Yamaichi International (Europe) Limited

PRINCIPAL PAYING AGENT AND TRUSTEE



# Learn two Swedish words and the decision-makers in Sweden will understand you!

**VECKANS affärer**

In English, these words mean "This week's business"

These two Swedish words will open the doors to most decision-makers in Sweden.

We're not sure if Veckans affärer holds the world record in access to decision-makers.

It is a known fact, however, that no other trade magazine in Sweden can compare with Veckans affärer's readership when it comes to decision-makers in industry and commerce.

There is not even a daily newspaper in Sweden that reaches as many decision-makers as Veckans affärer.

New Swedish law creates new target group

The law is called the MBL Law and deals with industrial co-determination. It states that decision-makers must consider the opinions of their employees when for instance, purchasing

new machinery, office equipment or the services of external consultants.

The Swedish law governing industrial co-determination has created a large new group of persons who exercise influence in the decision-making processes. And it is vital for advertisers to reach this new target group.

One of the leading institutions for testing public opinion in Sweden — Testologen — proved through one of its surveys that Veckans affärer is the most popular and widely read trade publication among Swedish decision-makers and other influential opinion leaders.

The quickest way to the heart of the Swedish market is to learn the meaning of Veckans affärer — two of the most valuable words in the Swedish language.

According to the results of an independent survey (Pack-Orchestra) conducted by Testologen, there are 211,000 decision-makers in Sweden. Veckans affärer reaches 37% of them.

There are 114,000 decision-makers in trade and commerce. Veckans affärer reaches 50% of them.

No other Swedish publication can boast of greater circulation.

**VECKANS affärer**  
Advertising department  
PO Box 1188, S-103 63 Stockholm  
Tel. 08-736 40 00

## REPRESENTATIVES

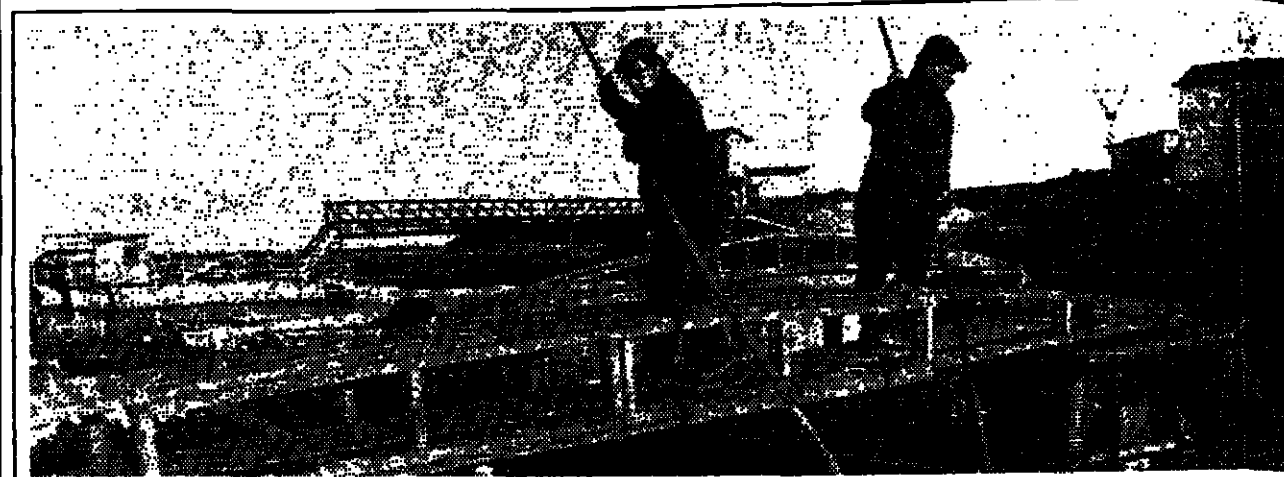
DENMARK: Madsen Børner Møttemagasin 19, DK-1014  
Copenhagen K. Tel. 01-13 72 50 FINLAND: Folia, Helsingfors 10  
00100 Helsinki 81. Tel. 00-702 311. NORWAY: Media Plan, Njøsund 4  
Oslo 1 Tel. 022-33 60 45 FRANCE: McGraw-Hill Publications Co.  
17 rue Georges Buis 75116 Paris Tel. 720 33 42 Telex United Kingdom 992191.  
GERMANY, AUSTRIA, SWITZERLAND: McGraw-Hill Publications Co. Liechtenstein

among Swedish decision-makers than Veckans affärer. Veckans affärer publishes 45 editions annually. Each edition is read by some 260,000 persons.

Veckans affärer's editorial staff consists of 32 financial journalists. Circulation: 44,000 copies per edition during first part 1983. Veckans affärer is a part of The International Management Network.

39, Franklin Ave. New York 170 181, Tel. 413-4330. ITALY: McGraw-Hill Publications Co. 1 via Bernabini, Milan 20123. Tel. 86 90 617. Tel. 311047. UNITED KINGDOM, BELGIUM, HOLLAND: International Management. McGraw-Hill Publications Co. 34 Dover Street, London W1 Tel. 01-493 1451. Tel. 921911. USA, CANADA: International Management U.S. Operations Office. 1221 Avenue of the Americas, New York 10020. Tel. (212) 901-5555 and 2066. Tel. 222365. JAPAN: International Management, 3-2-5 Kasumigaoka, Chiyoda-ku, Tokyo, Tel. (381) 9111/5. Telex: 22507 TIC.

## A SPECIAL REPORT ON THE NORDIC COUNTRIES



A lumber plant near a Finnish forest.

## Top Track Records in Debt Management Earn High Credit Ratings Despite Deficits

STOCKHOLM — For the last 25 years, Nordic borrowers have enjoyed a special popularity in dealings with the international capital markets, not the least for their sound ability to manage their debt but also for their ingenuity in commanding consistently good terms.

It is also true to say that the scale of their foreign borrowing, particularly in the cases of Sweden and Denmark, has markedly increased, originating in persistent deficits on current account, but for different reasons.

Denmark's total external debt, for example, amounted to the equivalent of 102.5 billion kroner, or about 20,100 kroner per capita, at the end of last year. On March 31, 1979, the amount was a mere 1.1 billion kroner, or 240 kroner per capita.

Sweden's case is even more striking in that its foreign accounts had been roughly in balance since the end of the World War II and it was only as late as the mid-1970s that its foreign debt took off. It has now reached a total of more than 201 billion kroner, or the equivalent of 24 percent of gross domestic product.

However, heavy as their foreign borrowing may be — Sweden and Denmark are raising the equivalent of more than \$2 billion each this year — the terms they command on international markets are fine indeed.

A recent example of fine terms for the Kingdom of Denmark was the \$1-billion standby credit signed on July 31. The Eurofacility, over 10 years, had a front-end fee of 0.33 percent and a facility fee of 0.05 percent per annum. If part of the facility is drawn on, say less than 25 percent per annum, then the interest rate works out at ¾ percent over Libor, the London interbank offered rate, or ½ percent above Libor if more is used.

"It is generally accepted that we commanded very fine terms on this facility," said Niels-Erik Sørensen, responsible for Denmark's foreign borrowing at the Finance Ministry.

Just as there are no fears of stagnation, "30 years of stagnation," was a relaxation in tax rules to ease the burden of capital-gains tax.

In Oslo, the advent of companies engaged in Norway's huge offshore oil and gas industry added new confidence to the exchange.

Helsinki's exchange has grown rapidly with the emergence of international companies such as Wärtsilä, the shipping giant, and Nokia, a forest products and plastic group, and has benefited from an increasing foreign interest in the companies' growth potential.

Two of the factors common to the growth of all four exchanges have been the surge among Nordic companies seeking share listings and the emerging interest of foreign investors in the domestic markets.

Whereas in the last decade, Swedish companies raised no more than a few million kroner in fresh capital each year on the exchange, 1983 the figure totaled 11 billion kroner, including 4 billion kroner raised in issues abroad by Swedish companies.

As Erik Asbrink, an undersecretary of the Swedish Finance Ministry, noted: "The bourse has finally begun to function as a source for risk capital."

In the case of Copenhagen, companies took advantage of the boom to raise new issues with a record market value of about 1.5 billion kroner during 1983, a trend continuing this year, even though at a lower pace.

"All of a sudden, all of the companies came with large amounts. So it turned out to be a very cheap source of capital to the market and of course everybody wanted to get in there, so we have

seen a number of good firms coming to the stock exchange," Mr. Pauschberg said.

Moreover, foreign investors increasingly saw the potential in investing in relatively undervalued shares of blue-chip companies like Sweden's Volvo and Denmark's Novo Industri. In 1979, for example, the Stockholm market had an average price-earnings ratio of six and listed companies were valued at 40 percent of shareholders' equity.

By last year, the average price-earnings ratio had doubled to more than 12 and companies were valued at 110 percent of their net assets, according to statistics of the Stockholm exchange.

In 1983, when Stockholm's share index rose by more than 66 percent, compared with 1982 levels, net purchases by foreign investors jumped to 5.5 billion kroner, against 1.1 billion the previous year. The same foreign interest has characterized developments in the other Nordic exchanges. But as the exchanges expanded in unprecedented fashion, a number of factors combined to slow the pace.

Firstly, according to share analysts, the markets have reached saturation level, the fastest expanding stocks are suffering from overexposure, and foreign investors appear to be switching holdings to other areas. In Stockholm, for example, bourse officials have seen net exports of shares to the value of 3.4 billion kroner in the first five months of last year switch to a net deficit of 830 million kroner in the corresponding 1984 period, a sign that the level of foreign buying interest has fallen sharply.

Copenhagen has faced much the same problem as Stockholm. Whereas the share index more than doubled during 1983 from a base of 100 on January 1 last year to 214 at the end of the year, it now has

foreign debt to about 18 percent by 1983.

"One obvious consequence of this development is an increasing dependence on the world markets for finance, and a rapidly narrowing scope for independent domestic policy action," a recent report on the Nordic economies by several policy analysts stated.

The report goes on to say that in Sweden and Denmark, interest payments abroad are taking an increasing share of export revenues and it poses the question whether a growing external debt ratio to GDP forces these countries to keep their domestic interest rates above corresponding international rates.

However, recent efforts by the Danish and Swedish governments to narrow their current account deficits have done much to allay fears over abilities to manage indebtedness, although this is not to say that foreign borrowing by Stockholm and Copenhagen has declined drastically.

On the contrary, debt officials in the two capitals currently are engaged on a complex and massive task to prepay much of their more expensive debt with cheaper loans to avoid a bunching up of heavier repayments later in the decade.

In the case of Sweden, it prepaid \$400 million from a \$1-billion loan carrying a margin of ¾ percent negotiated in 1978. This will help to ease some of the pressure on repayments of public-sector debt, which will peak between 1986 and 1990 at about 20 billion kroner a year, debt officials in Stockholm said.

The 20 billion kroner of foreign borrowing scheduled for this year divides roughly into 10 billion for refinancing the state debt, 5 billion for repaying of private sector loans and 5 billion set aside for the shrinking current-account deficit.

Copenhagen is following a similar strategy with a view to ironing out some of the substantial repayment problems later in the decade. "That is something we have started in 1983, when the creditworthiness of Denmark improved and the market situation improved so much that it became possible to borrow money at better rates than earlier, and we did that, raised new debt with better terms and prepaid the old debt, thereby saving us a small interest margin," Mr. Sørensen said.

He added that it became possible in the autumn of last year to borrow floating-rate dollars at considerably cheaper margins over Libor than the bank credits on which Denmark had relied up to then. Denmark prepaid what corresponds to 2.6 billion kroner last year and the equivalent of 10.1 billion kroner so far in 1984.

"Since the autumn of 1982, and until now, we have borrowed \$1.6 billion with a view to prepaying existing debt, and we have prepaid \$1.2 billion also," Mr. Sørensen said. By replacing the \$1.6-billion old debt with new debt, Denmark has reduced the average margin over Libor by 0.42 percent, while the average maturities have risen to nine years from three.

The ingenuity behind the move by Stockholm and Copenhagen in both the timing and the instruments used in the prepayment of the existing old debt. By resorting more to the floating-rate notes at longer maturities, both countries can command finer terms at a time when international banks, liquid and under-least as they are, are stumbling over themselves to find more business, which could depress margins even further.

The timing is important for Denmark in particular because in January last year, Standard & Poor's the U.S. credit-rating agency, reduced Denmark's rating from triple-A status to double-A plus in concern over its economic problems.

In the period since then, much in the economic landscape of Denmark has improved, its borrowing image abroad has hardly suffered from the move, and Danish Finance Ministry officials are in no hurry to see its rating returned to the top level until sound progress in righting the economy has been achieved.

Of the four Nordic countries, Norway and Finland had fewer problems than their neighbors in raising funds abroad, for the simple reason that their borrowing requirements have been much less. The benefits of North Sea oil have helped Norway to record a sizeable current-account surplus in recent years and much of its existing foreign debt has been paid off, although occasional surges for project financing in offshore oil and gas development.

Finland has limited its foreign debt to fixed-interest credits and bonds, with the latter now making up the overriding portion of its restrained borrowing schedule. With central government total borrowing scheduled to decline this year, foreign borrowing is likely to be confined to the minimum.

Iceland occasionally resorts to the Eurocredit market and has raised bonds to service its current-account deficit and to engage in project financing, although its size makes it an occasional, if good-risk, borrower on international markets.

—MICHAEL METCALFE

## A Retrenchment Period in the Stock Exchanges

(Continued From Page 9)

Copenhagen exchange after, in the words of Hans Pauschberg, one of the managing directors of Denmark's Privatbanken, "30 years of stagnation," was a relaxation in tax rules to ease the burden of capital-gains tax.

In Oslo, the advent of companies engaged in Norway's huge offshore oil and gas industry added new confidence to the exchange.

Helsinki's exchange has grown rapidly with the emergence of international companies such as Wärtsilä, the shipping giant, and Nokia, a forest products and plastic group, and has benefited from an increasing foreign interest in the companies' growth potential.

Two of the factors common to the growth of all four exchanges have been the surge among Nordic companies seeking share listings and the emerging interest of foreign investors in the domestic markets.

Whereas in the last decade, Swedish companies raised no more than a few million kroner in fresh capital each year on the exchange, 1983 the figure totaled 11 billion kroner, including 4 billion kroner raised in issues abroad by Swedish companies.

As Erik Asbrink, an undersecretary of the Swedish Finance Ministry, noted: "The bourse has finally begun to function as a source for risk capital."

In the case of Copenhagen, companies took advantage of the boom to raise new issues with a record market value of about 1.5 billion kroner during 1983, a trend continuing this year, even though at a lower pace.

"All of a sudden, all of the companies came with large amounts. So it turned out to be a very cheap source of capital to the market and of course everybody wanted to get in there, so we have

seen a number of good firms coming to the stock exchange," Mr. Pauschberg said.

Moreover, foreign investors increasingly saw the potential in investing in relatively undervalued shares of blue-chip companies like Sweden's Volvo and Denmark's Novo Industri. In 1979, for example, the Stockholm market had an average price-earnings ratio of six and listed companies were valued at 40 percent of shareholders' equity.

By last year, the average price-earnings ratio had doubled to more than 12 and companies were valued at 110 percent of their net assets, according to statistics of the Stockholm exchange.

In 1983, when Stockholm's share index rose by more than 66 percent, compared with 1982 levels, net purchases by foreign investors jumped to 5.5 billion kroner, against 1.1 billion the previous year. The same foreign interest has characterized developments in the other Nordic exchanges. But as the exchanges expanded in unprecedented fashion, a number of factors combined to slow the pace.

Firstly, according to share analysts, the markets have reached saturation level, the fastest expanding stocks are suffering from overexposure, and foreign investors appear to be switching holdings to other areas. In Stockholm, for example, bourse officials have seen net exports of shares to the value of 3.4 billion kroner in the first five months of last year switch to a net deficit of 830 million kroner in the corresponding 1984 period, a sign that the level of foreign buying interest has fallen sharply.

Copenhagen has faced much the same problem as Stockholm. Whereas the share index more than doubled during 1983 from a base of 100 on January 1 last year to 214 at the end of the year, it now has

tumbled to a little more than 180, with many investors regarding the market as overpriced.

The Oslo and Helsinki exchanges still are regarded by analysts as bullish markets, with some projecting that the Oslo share index could advance by as much as up to 20 percent in the remaining months of 1984.

But here, too, there are constraints acting to slow the pace of growth, the second factor simply being one of size. Bourse officials in all the Nordic capitals admit that their exchanges are either too small or too outmoded to cope with the huge influx of demand that has arisen in the last two years.

In Stockholm, the central securities clearing house has found it hard to keep pace with the surge in trading volume and a new computer registry system has had teething troubles. Moreover, the unprecedented growth has brought with it a number of dubious incidents involving the disclosure of misleading prospectus information and conflicts of interest.

The Swedish government has moved to curb insider trading, while a bourse committee last November put into effect rules to force disclosure of large share transactions.

In Copenhagen, the exchange's supervisory authorities are looking into ways to change the existing quotation system, where each share price is set individually in turn by brokers once a day, forcing shares to be bought and sold at the first price long after the official market has closed.

In Oslo, the authorities as of October 1 will set up a secondary stock exchange for those companies that do not meet the conditions required for quotation on the ordinary lists of the primary exchange, where stringent requirements exist as to the company's size in terms of capital and turnover.

In Helsinki, Union Bank of Finland intends to transform its share-investment management division into a broking subsidiary for use in the creation of an over-the-counter market in Finland.

—MICHAEL METCALFE

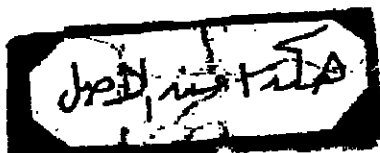
## CONTRIBUTORS

CHRISTOPHER FOLLETT reports on Danish affairs from Copenhagen for The Times of London and the Danish Broadcasting Corporation.

JURIS KAZA, a Stockholm-based financial journalist, was formerly a correspondent for The Associated Press-Dow Jones News Service.

MICHAEL METCALFE is a Paris-based financial journalist who follows European affairs.





Herald Tribune

# BUSINESS/FINANCE

U.S. Stocks  
Report, Page 8

Page 13

## Statistics Index

AMER. INDEX	P.M.	Commodities	P.M.
NYSE	P.M.	Gold	P.M.
NYSE	P.M.	Interest rates	P.M.
Commodities	P.M.	Market summary	P.M.
Currency rates	P.M.	Oil	P.M.
Commodities	P.M.	OTC stock	P.M.
Dividends	P.M.	Other markets	P.M.

SATURDAY-SUNDAY, SEPTEMBER 22-23, 1984

## ECONOMIC SCENE

### America's Rising Deficit: Will the Mountain Collapse?

By LEONARD SILK  
New York Times Service

NEW YORK — As the dollar continues to climb to record heights against foreign currencies, the U.S. trade deficit continues to worsen.

The Commerce Department reported this week that, in the second quarter of this year, the U.S. balance of payments on current account rose to a record deficit of \$24.4 billion. The current account figures include trade not only in merchandise but also in services, tourism and earnings on foreign investment. With the dollar still rising, the current account balance now seems sure to climb well above \$100 billion for the year as a whole, all of which needs to be financed by borrowing from abroad.

Have we entered a new era where the trade and current account deficits no longer hurt the value of a currency and indeed where the inflow of foreign capital, stemming from confidence in the United States, drives the dollar higher and higher?

Many economists say the answer is no, and fear that this "new era" will end disastrously. "We are living in a fool's world now," says Professor Lester Lauder of Carnegie-Mellon University in Pittsburgh. He calls the rapidly rising U.S. borrowing from abroad a "Ponzi game," one in which the borrower must acquire more and more money to pay off his growing obligations — until the mountain of debt finally collapses.

Mr. Lauder says that as soon as foreign investors realize the dollar cannot stay up forever, they will begin pulling out. And he is afraid that, once this starts, the fall of the dollar will deal a powerful blow to the U.S. economy.

When is that likely to happen? "Not before the election," he says. "The administration has a tremendous stake in holding things together until then." He says that if necessary it will even increase interest rates.

He expects the fall of the dollar to come within six months after the November election, as investor confidence weakens and turns around. But he stresses the uncertainty of the forecast. "If it were really predictable," he says, "it would happen now."

How sharp a fall is in prospect? That depends partly on how much the dollar is overvalued; at this point, many economists estimate its overvaluation at 25 percent to 30 percent. Mr. Lauder contends that when the dollar starts to fall, it will overshoot, as happens in markets when fear replaces hope. He believes this will cause a "swift contraction" in the economy.

A sharp decline in the dollar's value is likely to reverse the flow of foreign funds to the United States. In the past year that inflow has provided savings equal to about 2 percent of the gross national product, providing a strong assistance in holding down interest rates and the rate of inflation. But John D. Paulus, chief economist of Morgan Stanley, the investment bank, warns: "The helping hand can turn on us."

Mr. Paulus contends that, as foreign economies use their resources more intensively, inflation abroad will accelerate.

"Perhaps more important," he says, "a stronger foreign economic performance would raise rates of return on foreign capital and lead to higher interest rates abroad — a development that would encourage a flight from dollar-denominated investments and a consequent weakening in the foreign exchange value of the dollar."

STEPHEN Marris of the Institute for International Economics calculates in a forthcoming study that if the United States grows 3 percent from 1985 onward while the rest of the world grows 3.5 percent a year, and if the dollar is to remain at its present level, then the U.S. current account deficit — and the inflow of money needed to finance it — will go on rising rapidly. He estimates that the foreign inflow could reach \$200 billion by 1989, or about 4 percent of the gross national product.

For that to be sustained, he estimates, foreigners would have to be willing to increase their net claims on the United States by \$700 billion to \$850 billion over the next four years. It appears unlikely that such a flow of capital from Europe to the United States could last that long, since it would drain West European countries, and others, of their capital funds.

## Currency Rates

Late interbank rates on Sept. 21, excluding fees.  
Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates of 4 P.M. EDT.

	\$	£	D.M.	F.F.	L.L.	Other	S.F.	S.P.	Yen
Amsterdam	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Brussels	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Frankfurt	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
London	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Paris	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Switzerland	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Japan	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Italy	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Spain	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Sweden	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Denmark	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Norway	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Finland	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Greece	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Portugal	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Belgium	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Netherlands	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Australia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
New Zealand	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
South Africa	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
India	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Philippines	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Thailand	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Singapore	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Malaysia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Indonesia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Brunei	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
East Germany	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
West Germany	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
East Europe	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
USSR	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64

	\$	£	D.M.	F.F.	L.L.	Other	S.F.	S.P.	Yen
Amsterdam	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Brussels	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Frankfurt	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
London	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Paris	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Switzerland	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Japan	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Italy	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Spain	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Sweden	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Denmark	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Norway	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Finland	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Greece	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Portugal	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Belgium	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Netherlands	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Australia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
New Zealand	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
South Africa	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
India	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Philippines	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Thailand	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Singapore	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Malaysia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Indonesia	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
Brunei	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
East Germany	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
West Germany	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
East Europe	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64
USSR	3.5685	4.229	112.75	36.73	0.1831	5.59	126.87	144.18	166.64

1 Sterling = 12.2500 French francs.  
(a) Commercial bank. (b) Amounts needed to buy one dollar. (c) Amounts needed to buy one dollar.  
Units of 100 (x) Units of 1,000 (y) Units of 10,000  
N.D.: not quoted; N.A.: not available.

## Interest Rates

### Eurocurrency Deposits

	1 mo.	3 mos.	6 mos.	1 yr.
1M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
3M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
6M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
1Y	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

### Asian Dollar Rates

	1 mo.	3 mos.	6 mos.	1 yr.
1M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
3M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
6M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
1Y	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2

### Key Money Rates

	1 mo.	3 mos.	6 mos.	1 yr.
1M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
3M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
6M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
1Y	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2

### West Germany

	1 mo.	3 mos.	6 mos.	1 yr.
1M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
3M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
6M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
1Y	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2

### France

	1 mo.	3 mos.	6 mos.	1 yr.
1M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
3M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
6M	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2
1Y	11 1/4 - 11 1/2	5 1/4 - 5 1/2	10 1/4 - 10 1/2	9 1/4 - 9 1/2

Sources: Commercial Bank of Tokyo, London.  
Lombard Bank, New York.

## Inflation Picks Up In U.S.

### Food, Clothing Cited in Rise

By Jane Seaberry  
Washington Post Service

WASHINGTON — U.S. consumer prices rose a surprising 0.5 percent in August, the largest increase since April, as the cost of basic household items rose dramatically, the government reported Friday.

Prices rose nearly across the board as food and housing costs both rose 0.6 percent and clothing costs increased 0.9 percent last month. Increases in household goods had remained rather small for most of the year and many economists said they could not explain last month's jump.

Those same economists, however, said they expected prices to continue increasing only moderately for the rest of this year through about the middle of next year when they expect costs to accelerate slightly.

Inflation for the first eight months of the year is running at a 4.2 percent rate, slightly lower than the 4.5 to 5.0 percent many economists had predicted for this year.

The White House, which has used the reduction in inflation during the Reagan administration as a centerpiece of its economic presidential campaign theme, said Friday the acceleration last month was nothing to worry about.

The Consumer Price Index, "held to an increase" of 0.5 percent, "maintaining the pattern of low inflation established over the past two years," said the White House spokesman, Larry Speakes. "Declining pressure on interest rates and low inflation make the outlook for continued economic growth very promising."

Pressure on interest rates is indeed declining as first long-term and then short-term rates have edged down. Some economists predict that some banks may soon lower the prime interest rate from 13 percent because of slower increases in business loan demand and indications from the Federal Reserve that it would like rates to decline.

However, so far Morgan Guaranty in New York was the only bank to lower its prime, a benchmark rate banks charge their best customers, one-quarter of a percentage point Friday.

"The increase [in inflation] took a lot of people by surprise," said James Capra, a senior economist for Shearson, Lehman/American Express. "Despite that increase inflation is remaining positive."

Mr. Capra said he predicts that inflation will rise to a 5-percent to 6-percent rate during the first half of next year.

Donald Straszheim of Wharton Economics said the August consumer price increase was "a fluke" and he believed "the outlook for inflation has been quite moderate. We see only gradual increasing next year."

Washington Post Service

## Senate Approves Trade Bill Supported by Reagan

By Stuart Augbach  
Washington Post Service

WASHINGTON — The Senate has unanimously approved a wide-ranging trade bill, as strong support for more than 70 individual tariff measures cleared the way for a less popular provision extending duty-free treatment for some exports from developing countries.



(Continued from Page 8)

[illegible]

## Grains

[illegible]

63.60	63.25	63.00
63.70	63.10	62.75
64.20	64.25	64.00
64.30	64.00	63.75

[illegible]

134.55	134.75	13
133.50	133.50	13
133.25	133.25	17

bringing other fields into  
tion. Other sources quoted  
by Xinhua said that production is increasing quickly at the Shengli field on the Shandong Peninsula.

China's crude output last year totaled 106 million tons and this year's target was 108 million tons. Mr. Li said China plans to increase production to 150 million tons a year by 1990.

Another important  
business statistic  
64%  
the percentage of readers of the  
International Herald Tribune  
involved in corporate  
purchasing decisions.

**Sept. 21**

[illegible]sterling per metric ton  
B. dollars per metric ton

## GOLD FEATURES

Commodity and Unit  
# 4 Santos, lb. \_\_\_\_\_

Chicago Board

Strike	Calls-Lost			Puts-Lost			Net
	Sep	Oct	Nov	Sep	Oct	Nov	
125	—	—	—	—	—	176	
130	267½	—	—	—	—	—	
135	22½	23½	—	—	—	—	
140	19½	19½	26	17½	17½	276	
145	11½	14½	15½	17½	—	—	
150	7½	16½	11½	17½	1½	24	
155	—	—	—	—	—	68	
160	—	—	—	—	—	—	
165	—	—	—	—	—	—	
170	17½	3½	5	3	3½	—	
175	17½	1½	2½	8½	8	—	
180	—	—	1½	17½	15½	12½	

Total call volume 148,979  
 Total call open int. 598,238  
 Total put volume 114,158  
 Total put open int. 544,262  
 Index:  
 High 164.94 Low 164.13 Close 165.92 +8.0

2140 2140 2145 2145  
i long.

**RUBBER**  
nts per kilo  
Close Pr

2.635	2.590	2.58
2.22	2.225	2.22

[illegible]

**INCREASED**

Today	Prev
-------	------

spot	1,833.00	1,834.00	1,825.00	1,824.00
3 months	1,854.50	1,855.00	1,846.50	1,845.00
Copper cathodes:				
spot	1,837.00	1,838.00	1,827.00	1,826.00
3 months	1,853.00	1,854.00	1,843.00	1,842.00
Tin: spot	9,420.00	9,425.00	9,415.00	9,420.00
3 months	9,550.00	9,555.00	9,530.00	9,534.00
Lead: spot	321.00	322.00	318.00	317.00
3 months	327.50	328.00	318.75	317.00
Zinc: spot	614.00	614.00	612.00	611.00
3 months	617.00	617.00	617.00	616.00
Silver: spot	600.00	601.00	597.00	597.00
3 months	614.00	617.00	594.50	594.50
Aluminum:				
spot	817.00	818.00	816.00	817.00
3 months	820.50	821.00	818.00	818.00
Nickel:				
spot	3,280.00	3,290.00	3,250.00	3,250.00

DM Futures C  
S-100

Chicago Mercantile Exchange				
W. German Mark-125,000 marks, cents per				
Strike Price	Calls Settle	Puts Settle	Dec	Mar
31	1.15	1.77	0.82	1.15
32	0.70	1.29	1.24	1.24
33	0.41	0.85	2.04	2.15
34	0.24	0.65	2.56	—
35	0.14	0.47	—	—
36	0.06	0.32	4.70	—
38	0.04	—	5.69	—
39	0.03	—	6.48	—
40	0.02	—	—	—

Estimated total vol. 2,796

**Reuters**

more than 110 million metric tons of crude oil this year, a record output, a Chinese official told Chinese and foreign oil experts.

Li Tianxing, deputy minister of the oil industry, was quoted by the Xinhua news agency as saying that China had compensated for the decline in output from its huge Daqing field in the northeast by quickly bringing other fields into production. Other sources quoted by Xinhua said that production is increasing markedly at the Shengli field on the Shandong Peninsula.

China's crude output last year totaled 106 million tons and this year's target was 108 million tons. Mr. Li said China plans to increase production to 150 million tons a year by 1990.

Another important  
business statistic:  
64%  
the percentage of readers of the  
International Herald Tribune  
involved in corporate



## BUSINESS ROUNDUP

## Swire Lifts Profit 9%, Sees Higher Cathay Result

By Dinah Lee  
International Herald Tribune  
HONG KONG — Swire Pacific Ltd., the parent company of Hong Kong's Cathay Pacific airline, said first-half net rose 9 percent to \$77.4 million from \$71 million in the year-earlier period.

Swire is a listed company in the British colony with five divisions operating in aviation and hotels, property, shipping and offshore services, industries and trading. The company is part of the Swire Group, now based in London.

The company said Cathay's profits for the full year will be significantly higher than for 1983. Depressed market conditions for both the property and offshore services operations are likely to affect results for those divisions, however.

There has been considerable speculation over the future of Cathay Pacific because of uncertainty

over Hong Kong's political future. In 1997 about 92% of the territory is due to revert to China under expiring treaties signed a century ago between Britain and China.

Rumors that Cathay sought to buy shares in a British airline, either British Airways or British Caledonian, as preparation for a transfer of the company to Britain, have been denied by the airline.

"We're Hong Kong's airline and we want to stay that way," a Cathay spokesman said. "We are not conducting talks about selling the airline or buying any other airline."

For many months it was feared that when Britain's lease of the colony expires in 1997, Cathay might be in trouble.

As British aviation authorities would no longer have the right to negotiate international landing rights for Cathay, it seemed logical that China's national carrier and aviation authority would be in charge of negotiating the routes

and rights of its ex-colonial rival. This question was the very last to be resolved in the two-year negotiations between the British and Chinese. Cathay confirmed Thursday that it was consulted by the Hong Kong government privately on the matter. The British negotiating team also included a Hong Kong government aviation expert.

Diplomatic sources close to the talks say the resolution is one "with which Cathay seems to be pleased." It is understood that the agreement will allow a high degree of autonomy for the post-1997 Hong Kong government in this regard.

China and Britain announced Wednesday that they have concluded the draft agreement that will transfer Hong Kong from British to Chinese rule. It is thought that accord may be initiated as early as next week.

**Dividend Increase Is Seen**  
Hong Kong analysts said Swire

Pacific is likely to increase its interim dividend to 38 cents a share from 31 cents last year, Reuters reported.

The company will consolidate into its accounts only 72.5 percent of Swire Properties Ltd.'s profits for the first half because the unit was not wholly owned until July.

Swire Pacific's chairman, Michael Miles, Friday revised downward the company's forecast of net profit after tax and minority interest to 1 billion dollars for the full year.

The company originally forecast net of 1.03 billion dollars for the year. Last year, net totaled \$37 million.

Cathay Pacific will continue to be the group's most important source of income, contributing some 330 million dollars to Swire's interim profits, according to a forecast in a monthly investment report published by Sun Hong Kai Co.

## Jaguar Boosts BL's Profits

Reuters

LONDON — BL PLC, Britain's state-owned automaker, reported on Friday a sharp rise in operating profit, mainly due to a strong performance by its Jaguar division before it was sold to private ownership.

Operating profits jumped to £17.9 million (\$22.4 million) in the first six months this year, compared with £1.3 million in 1983. Without the profits from increasing export sales of luxury Jaguar cars, BL would have shown an operating loss of £2.3 million.

BL ended the half-year with a pre-tax loss of £17.7 million, an improvement on the £39.7-million loss in the same period of 1983. The automaker cautioned that demand for cars in Britain could fall later this year.

## Ericsson Hopes New PC Will Take 15% Share of European Market

By Juris Kaza  
International Herald Tribune

STOCKHOLM — L.M. Ericsson AB, the Swedish electronics and telecommunications group, hopes to take about 15% of the European market for personal computers sold to large business users with its new IBM-compatible 16-BIT PC, according to Hans Amell, general manager of Ericsson Information Systems' recently formed Personal Computers Division.

The Ericsson PC has cost the company around 100 million kronor (\$11.45 million) to develop. It will be the third personal computer to be marketed in recent years by Ericsson Information Systems, the company's office-automation subsidiary.

The two earlier models, the Facit DTC and the "Step One," were mostly sold in Nordic countries. But this time, Ericsson is aiming for a wider market.

An international advertising campaign for the Ericsson PC launched in the middle of this month has already yielded orders totaling 200 million kronor, Mr. Amell said. He called the result "exceptional," pointing out that the PC is an off-the-shelf product rather than a system to be ordered in advance.

Ericsson's new product will not be aimed at small retailers, however. "We will focus full power on large European corporations," Mr. Amell said. But the company also hopes to sell the machine in the United States, Australia and perhaps Saudi Arabia. Ericsson's products include terminals and printers in Arabic.

Mr. Amell estimated that sales worldwide of Ericsson PCs could be a couple of billion kronor in a couple of years.

He added that for many of Ericsson's existing office automation customers, the PC would be a natural addition of an upgrading of existing desk-top equipment.

Some, however, accuse Ericsson of making a clone of International Business Machines Corp. products. Steve Kandler, the director of Belmont Laboratories, a computer-testing company in Belmont, California, said: "My testing indicated the Ericsson PC is a well designed, well implemented, but straight-out clone of the IBM machine."

The Ericsson machine, he said, does not add any significant capability, but uses the same processor, at the same speed as IBM. Like the IBM PC, Ericsson's machine uses an Intel 8088 16-BIT microprocessor and an IBM compatible MS-DOS 2.11 operating system.

Julian Patterson, an analyst at Yankee Group in Watford, Hertfordshire, in southeast England, said: "If Ericsson can get it right, it

has a big potential market. In Europe, there are a lot of people afraid to be locked in by IBM. This makes IBM-like products very attractive."

But Mr. Patterson, whose company is the European affiliate of the Boston-based Yankee Group computer market research company, cautioned that in the medium term, all IBM-compatible PCs could be challenged if IBM decides to adapt its proprietary VM operating system, used for larger computers, to its own PCs.

Non-IBM manufacturers, unable to duplicate the VM system for legal or technical reasons, "will have to start getting worried in the next two to three years," Mr. Patterson remarked.

Mr. Amell said each new PC will come with instructional software, developed with Digital Learning Systems of Boston. "We said that you should be able to take anyone off the street and make him able to use, and not be afraid of the product in a couple of hours," he said.

It was possible, he said, that the PC would soon be marketed with at least a word-processing program

and perhaps an integrated program featuring graphics, spreadsheets, word processing, a data base and other features.

Mr. Amell said Ericsson's PC would be priced in the same range as IBM's, or between 30,000 and 50,000 kronor, depending on the configuration. The machine is available with between 128-640 kilobytes internal memory, up to two 360 kilobyte floppy-disks, and a 10 megabyte hard-disk memory. A byte is a group of adjacent binary digits that a computer processes as a unit.

He pointed out that personal computer prices were falling to the range where even a large number of them did not amount to a major investment for a corporation and "the non-price factors are much more important."

Gold Options (prices in \$/oz.)				
Month	Nov.	Dec.	Jan.	Feb.
30	125.14/19			
35	125.14/19	125.14/19	125.14/19	125.14/19
40	125.14/19	125.14/19	125.14/19	125.14/19
45	125.14/19	125.14/19	125.14/19	125.14/19
50	125.14/19	125.14/19	125.14/19	125.14/19

Gold 20-20-2000  
Valeant White Gold S.A.  
1, Quai de la Gare  
1211 Geneva 1, Switzerland  
Tel. 01 27 51 - Telex 28 385

## RESERVE INSURED DEPOSITS TRUST

RES IN DEP  
An Account for the Cautious Investor  
to Protect and Increase Capital

U.S. Dollar Denominated  
Insured by U.S. Govt. Entities  
Imported Tax Advantages  
Competitive  
Money Market Yields  
No Market Risk  
Immediate Liquidity  
Absolute Confidentiality

THE BANK OF NEW YORK  
Custodian  
CAYMAN NATIONAL BANK  
AND TRUST  
Registrar

RES IN DEP  
Case Postale 93  
1211 Genève 25, Suisse  
Please send prospectus and  
account application to:  
Name \_\_\_\_\_  
Address \_\_\_\_\_

## Planned Sale of Northwest Surprises the U.S. Market

The Associated Press

CHICAGO — A transaction in which Northwest Industries agreed to be purchased for more than \$1 billion by a Chicago investment firm headed by two former Esmark executives, Donald R. Kelly and Roger T. Briggs, has surprised Wall Street.

The accord, announced Thursday, represents the first acquisition by the recently formed Kelly, Briggs & Associates, a holding company created to buy and sell businesses.

The investor group agreed to pay \$30 a common share plus one share of a newly created Lone Star Steel common stock for each of Northwest's 20 million shares outstanding.

Lone Star's declining business had caused Northwest's stock price and earnings to deteriorate, and Wall Street analysts say Lone Star stock could be worth \$20-\$25 a

share. Northwest share prices opened Friday on the New York Stock Exchange at \$60, up \$9.75.

Northwest assets to be acquired by the investment group include Union Underwear Co., whose Fruit of the Loom brand is the top-selling underwear among men, and Acme Boot Co., the world's largest bootmaker.

The investors also would acquire General Battery Corp., Velsicol Chemical Corp., and NWT Natural Resources Co., an oil and gas exploration company.

Observers say the accord is not final and that a counteroffer for Northwest from another group is still possible.

When Kelly, Briggs & Associates was formed in July after Esmark Companies bought Esmark, Mr. Kelly said his new investment firm intended to acquire companies with more than \$1 billion in annual sales.

## COMPANY NOTES

Broken Hill Pty. Co., which reported that profit rose 36 percent to 167.9 million Australian dollars (\$139.9 million) in the three months ended Aug. 31, said the rise should not be regarded as indicative of half-yearly or annual results.

The company, Australia's biggest publicly traded company, said the main contribution to its earnings came from the oil and gas division. Steel division profits were almost double the previous year's level, but more difficult trading conditions are anticipated.

Data General Corp. has unveiled a computer compatible with International Business Machines Corp. products billed as the "first laptop portable where no compromises are necessary." The Data General One weighs 9.5 pounds (4.2 kilograms), and has a 25 line by 80 column liquid crystal display with graphics capability. The basic model is priced at \$2,895.

Echlin Inc. can purchase Borg-Warner Corp.'s automobile replacement parts operations without substantially lessening competition, a Federal Trade Commission judge ruled in Washington.

The judge was dismissing a 1981 antitrust FTC complaint.

Ford Motor Co. said it named Alexander Trotman as president of Ford of Europe Inc. effective Oct. 1, succeeding James Capelongo, who resigned in June. The company also named Mervyn Manning, vice president and general manager of Ford Tractor Operations, to the post Mr. Trotman held as president of Ford Asia-Pacific Inc.

General Cinema Corp. said its board declared a two-for-one split of its common stock and raised the quarterly dividend on post-split shares to 10 cents from eight cents.

The cash dividend is payable Oct. 31 to holders of record Oct. 9. General Cinema's share prices on the New York Stock Exchange were up 25 cents early Friday at \$51.25.

International Business Machines Corp. said it will market its industrial computer products through a national network of distributors.

The new sales program is intended to increase availability. IBM said its first authorized distributor is Fox Systems of Brighton, Michigan, and the initial offering will be the recently announced 5531, a modified personal computer.

Matra SA of France said it has formed Matra Communication Inc. to enter the U.S. telecommunications market. The new company will sell the Matra Scanet line of terminal information products in the United States, assuming exclusive U.S. marketing rights held by Tymshare Inc.

Merck & Co. Inc. said a single oral dose of its new anti-parasitic drug Ivermectin has been found promising in the treatment in humans of the tropical disease onchocerciasis, or river blindness. Ivermectin is already marketed for veterinary anti-parasitic use.

Pillsbury Co. of the United States reported a 12-percent increase in net for the fiscal first quarter to \$38.9 million, compared with \$34.8 million a year earlier. Sales were up 10 percent at \$1.02 billion from \$929 million.

News Corp. Ltd. of Australia said net in the year ended June 30 rose 10 percent to a record \$95.87 million from \$86.92 million in the previous year. It attributed the rise to improvements in earnings from operations in Australia and the United States.

Spalding Sporting Goods, a privately held U.S. manufacturer of sporting goods, has been sold along with two Ohio-based companies to a Florida investor group for an undisclosed amount of money. A spokesman for the Tampa, Florida group declined to discuss details of the transaction that included purchase of EvenFlo Infant Products of Ravenna, Ohio, and Juvenile Furniture of Piqua, Ohio. The new company will be known as Spalding & EvenFlo Cos. Inc.

## INTERNATIONAL POSITIONS

## JURISTE AVEC ACCENT ANGLAIS

Groupe International de Travaux Publics recherche pour ses services centraux en région parisienne, un juriste connaissant le droit anglo-saxon.

Une double formation française et anglaise (ou américaine) est nécessaire, une expérience de quelques années en entreprise ou en Cabinet de conseil juridique serait un atout supplémentaire.

Ecrire avec CV détaillé à :

Entreprise RAZEL Frères  
le Christ de Saclay - BP 109  
91403 ORSAY Cedex  
(FRANCE).

## McGraw-Hill Publishing Company

seeks for Aviation Week & Space Technology an  
INTERNATIONAL CIRCULATION  
MARKETING MANAGER  
to be based in Lausanne.

Candidates should be fluent in English, French and German, and a working knowledge of Italian would be helpful. Individual should be a highly motivated self-starter, willing to travel. Publication circulation background would be an asset. Swiss nationals or Swiss C permit holders.

Please send curriculum vitae and salary requirements to:  
Robert Rottemer, Director International Marketing & Sales  
Aviation Week & Space Technology  
14, Avenue d'Ouchy, 1006 LAUSANNE, Switzerland.

## Banque Française nationalisée

PARIS

## Gestionnaire de portefeuille actions

Il aura principalement au sein du Département Financier, la responsabilité de suivre des comptes de particuliers et développer cette clientèle, et de gérer des fonds communs de placements axés sur le marché Nord-Américain.

Expérience réussie de 5 ans minimum dans un organisme financier d'audience internationale.

Une bonne connaissance de la Bourse Américaine est indispensable. Formation école supérieure et bonne maîtrise de l'anglais impératives.

30 ans minimum pour ce ou cette candidat(e) prêt à s'investir dans la création d'une nouvelle fonction.

Rémunération motivante liée à l'acquis professionnel.

Ecrire avec C.V. détaillé, photo, prétentions et téléphone privé sous référence 24016

MRI conseil  
Danièle Chapuis  
13, rue Madeleine Michélin, 92522 Neuilly.

## ADVERTISEMENT INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

21 September 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following symbols indicate frequency of quotations supplied for the INT: (N) - weekly; (M) - monthly; (Q) - quarterly; (A) - annually; (D) - daily.

ALMA MANAGEMENT (N) ALMA Trust, S.A. \$137.41

BANK JULIUS BAER & CO. LTD. (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF AMERICA & CO. INC. (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF NEW YORK & CO. (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF SWITZERLAND (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE NETHERLANDS (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE UNITED STATES (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE VATICAN (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE WEST (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE WORLD (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE YAMAL (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZAMBIA (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZIMBABWE (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZULU (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

BANK OF THE ZWAZI (N) Bank Fund \$179.90 (M) Bank Fund \$179.90 (Q) Bank Fund \$179.90 (A) Bank Fund \$179.90

## How to participate:

● Fill in the coupon below with the number of tickets desired and your complete mailing address.

● Please include payment with your order. Payment may also be made upon receipt of our invoice. Personal cheques, travellers cheques, bank transfers or cash sent (at your own risk) via registered mail can be accepted. Payment must be made in DM, U.S. \$ or Sterling. Swiss Francs or any other currency convertible in West Germany.

● Within days you will receive your ticket, an invoice or statement of account, and the official drawing schedule with rules and regulations.

● After each class, the official winning list together with your ticket for the next class will be sent to you by air mail.

● If your ticket is drawn you will immediately be sent a winning notification, since it is our business and obligation to check all drawn numbers.

● You may determine how your winnings are paid out. Transfer will be made anywhere in the world within one week either by check or according to your instructions. Of course, jackpot winners may personally collect their prize money in cash.

● If you are already one of our customers, your ticket for the next lottery will be mailed to you automatically.

● You can be sure you'll receive rapid, honest, confidential service. If you like the odds, try your luck. Order today!

Good luck!

These are the figures. Where else are the chances this good? They are almost 1 in 2.

Being a state lottery, the Sueddeutsche Klassenlotterie (South German State Lottery) can offer these extraordinary odds with large prize money. Besides the Jackpots, as shown right, the middle-class prizes range from DM 5,000 to DM 80,000. Of course not to mention the numerous amount of smaller prizes. That is why the participants come from all corners of the globe.

Join the group. Within each lottery, almost half the ticket numbers are drawn for prize money.

If coupon is missing, write for information.

E. Gehle  
Boppstr. 20-24  
D-6500 Mainz,  
W-Germany

I'll join the lottery!

For all classes of the 76. Sueddeutsche Klassenlotterie, starting November 10, 1984, through May 4, 1985

Please fill in number of tickets you want to order.

DM or US\$\* or £\*

1/1 ticket 747.00 • 262.15 • 199.20

1/2 ticket 387.00 • 135.80 • 103.20

1/4 ticket 207.00 • 72.65 • 55.20

\* US \$ and £ prices are subject to rate of exchange. Prices cover all 6 classes and include airmail postage and winning list charges. No additional charges.

Rate of exchange: AUG. 1984.  
VALID ONLY WHERE LEGAL, NOT AVAILABLE TO RESIDENTS OF SINGAPORE.

## Join the "GewinnSpiel"

Your chances - better than ever to win Deutsch Marks

● Guaranteed Prize Money: 225.340 Million DM

● Winning chances: 291.650 ● A must to play

● 600,000 ticket numbers in the game ● Almost every 2. number is a winner

Look at the facts:

The lottery runs over a period of 26 weeks with each class covering 4 resp. 6 drawings. The drawings are publicly held in Munich, West Germany, and are supervised by state auditors. The German government guarantees all prizes and is responsible for the orderly conduct of the lottery.

Anonymity is guaranteed. If you win, no one but you will ever find out about your winnings; that is, unless you tell them. It's as though you'd have a numbered account at a Swiss bank!

PRIZE SCHEDULE



Start of next Lottery May 1985

Return coupon to E. Gehle Boppstr. 20-24 D-6500 Mainz, W-Germany



**Tables include the nationwide prices up to the closing on Wall Street**

up to the ceiling on view.

T									
111a	8	T Bar	511	47	34	38	119	162	119
111b	8	TIE			34	1587	119	162	119
111c	10th	5	20	12	10	120	120	119	119
111d	10th	5	20	12	10	120	120	119	119
111e	10th	5	20	12	10	120	120	119	119
111f	10th	5	20	12	10	120	120	119	119
111g	10th	5	20	12	10	120	120	119	119
111h	10th	5	20	12	10	120	120	119	119
111i	10th	5	20	12	10	120	120	119	119
111j	10th	5	20	12	10	120	120	119	119
111k	10th	5	20	12	10	120	120	119	119
111l	10th	5	20	12	10	120	120	119	119
111m	10th	5	20	12	10	120	120	119	119
111n	10th	5	20	12	10	120	120	119	119
111o	10th	5	20	12	10	120	120	119	119
111p	10th	5	20	12	10	120	120	119	119
111q	10th	5	20	12	10	120	120	119	119
111r	10th	5	20	12	10	120	120	119	119
111s	10th	5	20	12	10	120	120	119	119
111t	10th	5	20	12	10	120	120	119	119
111u	10th	5	20	12	10	120	120	119	119
111v	10th	5	20	12	10	120	120	119	119
111w	10th	5	20	12	10	120	120	119	119
111x	10th	5	20	12	10	120	120	119	119
111y	10th	5	20	12	10	120	120	119	119
111z	10th	5	20	12	10	120	120	119	119
112a	10th	5	20	12	10	120	120	119	119
112b	10th	5	20	12	10	120	120	119	119
112c	10th	5	20	12	10	120	120	119	119
112d	10th	5	20	12	10	120	120	119	119
112e	10th	5	20	12	10	120	120	119	119
112f	10th	5	20	12	10	120	120	119	119
112g	10th	5	20	12	10	120	120	119	119
112h	10th	5	20	12	10	120	120	119	119
112i	10th	5	20	12	10	120	120	119	119
112j	10th	5	20	12	10	120	120	119	119
112k	10th	5	20	12	10	120	120	119	119
112l	10th	5	20	12	10	120	120	119	119
112m	10th	5	20	12	10	120	120	119	119
112n	10th	5	20	12	10	120	120	119	119
112o	10th	5	20	12	10	120	120	119	119
112p	10th	5	20	12	10	120	120	119	119
112q	10th	5	20	12	10	120	120	119	119
112r	10th	5	20	12	10	120	120	119	119
112s	10th	5	20	12	10	120	120	119	119
112t	10th	5	20	12	10	120	120	119	119
112u	10th	5	20	12	10	120	120	119	119
112v	10th	5	20	12	10	120	120	119	119
112w	10th	5	20	12	10	120	120	119	119
112x	10th	5	20	12	10	120	120	119	119
112y	10th	5	20	12	10	120	120	119	119
112z	10th	5	20	12	10	120	120	119	119
113a	10th	5	20	12	10	120	120	119	119
113b	10th	5	20	12	10	120	120	119	119
113c	10th	5	20	12	10	120	120	119	119
113d	10th	5	20	12	10	120	120	119	119
113e	10th	5	20	12	10	120	120	119	119
113f	10th	5	20	12	10	120	120	119	119
113g	10th	5	20	12	10	120	120	119	119
113h	10th	5	20	12	10	120	120	119	119
113i	10th	5	20	12	10	120	120	119	119
113j	10th	5	20	12	10	120	120	119	119
113k	10th	5	20	12	10	120	120	119	119
113l	10th	5	20	12	10	120	120	119	119
113m	10th	5	20	12	10	120	120	119	119
113n	10th	5	20	12	10	120	120	119	119
113o	10th	5	20	12	10	120	120	119	119
113p	10th	5	20	12	10	120	120	119	119
113q	10th	5	20	12	10	120	120	119	119
113r	10th	5	20	12	10	120	120	119	119
113s	10th	5	20	12	10	120	120	119	119
113t	10th	5	20	12	10	120	120	119	119
113u	10th	5	20	12	10	120	120	119	119
113v	10th	5	20	12	10	120	120	119	119
113w	10th	5	20	12	10	120	120	119	119
113x	10th	5	20	12	10	120	120	119	119
113y	10th	5	20	12	10	120	120	119	119
113z	10th	5	20	12	10	120	120	119	119
114a	10th	5	20	12	10	120	120	119	119
114b	10th	5	20	12	10	120	120	119	119
114c	10th	5	20	12	10	120	120	119	119
114d	10th	5	20	12	10	120	120	119	119
114e	10th	5	20	12	10	120	120	119	119
114f	10th	5	20	12	10	120	120	119	119
114g	10th	5	20	12	10	120	120	119	119
114h	10th	5	20	12	10	120	120	119	119
114i	10th	5	20	12	10	120	120	119	119
114j	10th	5	20	12	10	120	120	119	119
114k	10th	5	20	12	10	120	120	119	119
114l	10th	5	20	12	10	120	120	119	119
114m	10th	5	20	12	10	120	120	119	119
114n	10th	5	20	12	10	120	120	119	119
114o	10th	5	20	12	10	120	120	119	119
114p	10th	5	20	12	10	120	120	119	119
114q	10th	5	20	12	10	120	120	119	119
114r	10th	5	20	12	10	120	120	119	119
114s	10th	5	20	12	10	120	120	119	119
114t	10th	5	20	12	10	120	120	119	119
114u	10th	5	20	12	10	120	120	119	119
114v	10th	5	20	12	10	120	120	119	119
114w	10th	5	20	12	10	120	120	119	119
114x	10th	5	20	12	10	120	120	119	119
114y	10th	5	20	12	10	120	120	119	119
114z	10th	5	20	12	10	120	120	119	119
115a	10th	5	20	12	10	120	120	119	119
115b	10th	5	20	12	10	120	120	119	119
115c	10th	5	20	12	10	120	120	119	119
115d	10th	5	20	12	10	120	120	119	119
115e	10th	5	20	12	10	120	120	119	119
115f	10th	5	20	12	10	120	120	119	119
115g	10th	5	20	12	10	120	120	119	119
115h	10th	5	20	12	10	120	120	119	119
115i	10th	5	20	12	10	120	120	119	119
115j	10th	5	20	12	10	120	120	119	119
115k	10th	5	20	12	10	120	120	119	119
115l	10th	5	20	12	10	120	120	119	119
115m	10th	5	20	12	10	120	120	119	119
115n	10th	5	20	12	10	120	120	119	119
115o	10th	5	20	12	10	120	120	119	119
115p	10th	5	20	12	10	120	120	119	119
115q	10th	5	20	12	10	120	120	119	119
115r	10th	5	20	12	10	120	120	119	119
115s	10th	5	20	12	10	120	120	119	119
115t	10th	5	20	12	10	120	120	119	119
115u	10th	5	20	12	10	120	120	119	119
115v	10th	5	20	12	10	120	120	119	119
115w	10th	5	20	12	10	120	120	119	119
115x	10th	5	20	12	10	120	120	119	119
115y	10th	5	20	12	10	120	120	119	119
115z	10th	5	20	12	10	120	120	119	119
116a	10th	5	20	12	10	120	120	119	119
116b	10th	5	20	12	10	120	120	119	119
116c	10th	5	20	12	10	120	120	119	119
116d	10th	5	20	12	10	120	120	119	119
116e	10th	5	20	12	10	120	120	119	119
116f	10th	5	20	12	10	120	120	119	119
116g	10th	5	20	12	10	120	120	119	119
116h	10th	5	20	12	10	120	120	119	119
116i	10th	5	20	12	10	120	120	119	119
116j	10th	5	20	12	10	120	120	119	119
116k	10th	5	20	12	10	120	120	119	119
116l	10th	5	20	12	10	120	120	119	119
116m	10th	5	20	12	10	120	120	119	119
116n	10th	5	20	12	10	120	120	119	119
116o	10th	5	20	12	10	120	120	119	119
116p	10th	5	20	12	10	120	120	119	119
116q	10th	5	20	12	10	120	120	119	119
116r	10th	5	20	12	10	120	120	119	119
116s	10th	5	20	12	10	120	120	119	119
116t	10th	5	20	12	10	120	120	119	119
116u	10th	5	20	12	10				

### NASDAQ National Market Prices

[illegible]

**The Daily Source for  
International Investors.**







### ACROSS

Belonging to:  
Suffix  
P.S.  
Pitcher  
Kind of town  
Relating to  
birds  
"Dames —":  
1968 show  
Turkish unit of  
weight  
Concrete units  
Site of a  
famous Indian  
light  
Unenvied role  
for a thespian  
"Mule Train"  
singer  
Cigar smoke,  
to some  
A.D.  
L.A.  
PBS program  
Lorelei, for one  
Uneven  
"— boy!"  
Raised  
platform  
Actor's goal  
A 1962 film that  
takes place in  
1959  
"— Gynt"

**DOWN**  
People of  
southern  
Africa  
B.A.  
Hound's clue  
Simon's  
"Barefoot in  
the——"  
Inlet  
D.A.  
Lloyd's  
maiden name  
Singer from  
Detroit  
"The sea is his  
and he——":  
Psalms  
Natives of  
Meshed  
Harry of silent  
westerns

## PEANUTS

© New York Times, edited by Eugene Malachuk.

DOWN  
Celebes or  
Year of  
Columbus'  
demise  
Syrian pound  
Religious  
image  
Poker stake  
Thurmond or  
Archibald  
Alexandra was  
married to  
one: Var.  
Pres. or P.M.  
Swiss canton

whom she always knew she would marry. Claudia

whom she always knew she would marry. Claudia lives vaguely, somehow convinced that "they were going through something and would one day get to something else," and her best attempts at conviction end up trailing messy wisps of "maybe's." Even Avery's announcement that this time he is moving out for good fails to stir her into action. She begins sleeping a lot, venturing out of the house rarely or not at all — content to live alone within the glassy walls of her own fluctuating moods.

At 34, Avery Parks is an aging Peter Pan, whose boyish charm makes him irresistible to women, liked by other men. His enthusiasm transforms the simplest chores — making a toasted cheese sandwich, assembling a new stereo set — into an event, and his extraneous "distractions" make it like having a feast of carefully deliberated and well-cared-for so they balanced all alone but were the result of his creation." Beneath his cheerful banter and bright laughter, however, lies a deeper melancholy, born of frustration and an astonishment that life holds, for him, no further surprises. When he is drunk, he turns nasty and abusive; and the morning after he is left with a hangover.

Avery was the boy next door, whom Claudia had known since she was 4 years old (and he was 6), and

Dew can convey, with a skill matched by few writers today, the quick, peculiar shifts in feelings that we experience, moment to moment, day by day — how, in an instant, love can sour into irritation; anxiety dissolve into affection, attraction subside into nostalgia. And in "The Time of Her Life," she uses this ability to map out the ambiguities of the Parks' marriage, and to show the devastating consequences that this unstable alliance has on their daughter Jane.

Though she is still a girl of 11, who wears pajamas decorated with happy panda bears, though she still inhabits that innocent space between childhood and adolescence, Jane is treated by her parents as a miniature adult. Claudia confides to Jane her fears that Avery is a closet homosexual. Avery uses Jane as a go-between in his affair with her violin teacher.

Because of the way her parents treat her, Jane herself is sophisticated beyond her years — though, at times, the reader wonders if an 11-year-old would really articulate her emotions in quite the way that Dew portrays them. Would a child this age really think to herself, “she had become old without accumulating a personal history” or, “she had lost forever the ability to fling herself blindly into imaginative hopefulness?”

### Solution to Last Week's Puzzle



Q. Is that all that you can remember?

[illegible]

## Amsterdam BASE

[illegible]

### Other Markets

[illegible]

	1990	1991
Swiss Say Rise in GDP	4.740	4.500
IFI	52.500	50.000
Italcementi	42.700	40.000

## Slowed in 2d Quarter

*Reuters*

**BERN —**The inflation-adjusted rise in Swiss gross domestic product slowed to 1.5 percent in the second quarter from 2.8 percent in the first and 1.9 in the fourth quarter of 1983, the government said Friday.

Consumer spending rose 1.6 percent after rises of 0.5 percent and 1.7 percent in the preceding quarters, but purchases of consumer durables were sluggish.

AmericanSas	1,660
Oilwell	2,620
Pitt	1,280
Solariscente	1,000
Tenneco	1,280
Strandia	4,190
NCI Index: +23.63 Previous: -25.24	

## Paris

Air Liquide	857
Alstom Air	176
Credit Industriel	100
Dynalco	495
EIC	485
Esso-Repsys	646
RNS	2,412
SAFAC	1,160
Vieljeux Club Med	41
Wattel	1,130
Dowcor	226
Elf Aquitaine	532
Indesat	729
Gem. Bank	233
Hofmann	729
Lafarge	233

Swedish Match	220	221	Previous: W&A
Volvo	238	233	
Affairs/Marketing Index - 204 Bn			

[illegible]



## SPORTS

## Helped by Dodgers, Padres Clinch Title

**SAN DIEGO**—After 16 rather inconspicuous years in the depths of the National League Western Division, the San Diego Padres finally are champions.

Tim Lollar, the Padre pitcher, chucked a three-run homer to highlight a five-run second inning Thursday and produce a 5-4 victory over the San Francisco Giants. Later Thursday night, many of the Padres gathered around a radio at

## BASEBALL ROUNDUP

the home of the relief ace Goose Gosage to listen as the Los Angeles Dodgers defeated Houston, 6-2, to eliminate the second-place Astros and hand the Padres the division championship.

Greg Harris came on with runners on first and second and one out and got Dan Glavanis to hit into an inning-ending double play. Dave Dravecky, despite allowing a run-scoring single by Chili Davis in the ninth, finished for his eighth save. Mike Krukow (10-12) pitched five innings and was the loser.

In the second, Craig Nettles led off with a single and moved to second when Terry Kennedy flied out. Kevin McReynolds walked, and Carlos Martinez was hit by a pitch to load the bases. Garry Templeton singled in Nettles and Martinez. Lollar then lofted a 2-1 pitch into the right-field seats for a 5-0 lead.

The veteran Nettles said the biggest thrill has been the reaction of some of his young teammates. "It's great for these guys to come up in their first and second year and do this," he said. "They don't really know what it's all about, but

they've learned how to win and now they expect to win every game."

Another veteran who helped turn the Padres around, Steve Garvey, said the season has been lived with good old-fashioned hard work.

"All of us are very proud of what this team has accomplished," he said. "It's great to have a baseball winner in San Diego. You have to give of yourself. It takes a lot of work. But a lot of us have worked 24 hours a day and now it's paid off."

## Dodgers 6, Astros 2

In Houston, Candy Maldonado capped a four-run eighth inning with a two-run single, and Orel Hershey (10-9) pitched an eight-inning shutout to clinch the division title for the Dodgers.

## Pirates 7, Cubs 6

In Chicago, Johnny Ray's sacrifice fly scored Joe Orosko to climax a two-run eighth inning and lift Pittsburgh to 7-6 victory over Chicago and a sweep of the three-game series. The Cubs dropped their fourth straight game, and their magic number to win the National League East remains at three. A crowd of 33,651 enabled Chicago to draw 2 million fans for the first time in its 108-year history.

## Braves 9, Reds 3

In Atlanta, Gerald Perry had a three-run homer and drove in five runs to power the Braves to a 9-3 victory over Cincinnati. Rick Camp (8-6) pitched seven innings and allowed six hits while striking



The Padres' Ed Whitson, Bobby Brown, Alan Wiggins and Kevin McReynolds celebrating midday after their 5-4 triumph over the Giants on Thursday. The Padres did not clinch the division title until later in the day, when the Dodgers eliminated the Astros. The RAK on Padre sleeves is in remembrance of Ray A. Kroc, the team owner who died earlier this year.

out two and walking three. Jeff Russell (6-18) took the loss.

## Cardinals 3, Expos 2

In St. Louis, Andy Van Slyke hit a two-run homer and Terry Pendleton went 4-for-4 with an RBI double to lead the Cardinals to a 3-2 victory over Montreal. Dave LaPoint (12-10) went seven innings for the triumph. Bruce Sutter pitched two innings for his 43d save. Bill Gullickson (11-8) took the loss.

## Angels 2, Royals 0

In the American League, in Anaheim, California, Mike Witt limited Kansas City to three singles, and Brian Downing hit his 21st homer to give California a 2-0 victory.

Both teams filed protests, charging each other with using illegal bats.

## Blue Jays 6, Brewers 4

In Toronto, Dave Collins drove in two runs, scored three times and stole two bases to lead the Blue Jays to a 6-4 victory over Milwaukee. Dave Stieb went 8½ innings, allowed nine hits, struck out seven and walked five to push his record to 15-7. Bob Gibson (1-4) was the loser.

## Twins 5, White Sox 4

In Minneapolis, Tom Brunansky scored the winning run from third base on a wild pitch in the 13th inning, enabling Minnesota to snap a three-game losing streak with a 5-4 victory over Chicago. Brunansky

drew a walk off Bert Roberge (3-3) to start the 13th and moved to second on a sacrifice by Gary Gaster. He took third on a passed ball and scored on the next pitch when Roberge threw the ball into the dirt and off to the right. It rolled past catcher Joel Skinner all the way to the backstop.

## Orioles 15, Red Sox 1

In Baltimore, Ken Singleton hit a grand slam, and Mike Young had a two-run homer and five RBIs to power the Orioles to a 15-1 triumph over Boston. Mike Flanagan (13-13) scattered seven hits over seven innings while his teammates pounded three Boston pitchers for 20 hits, 10 for extra bases.

Oilers Seeking First Triumph  
Coach Campbell Blames Errors for 0-3 Start

By Michael Janofsky  
New York Times Service

**NEW YORK**—The following games will be played this week in the National Football League. (Odds are from Harrah's Reno Race & Sports Book.)

## INTERCONFERENCE

**Houston Oilers (0-3) at Atlanta Falcons (1-2)** — A year ago, the Houston Oilers were 0-3, on their way to a 2-14 season. So that it would not happen again, Ladd Herzog, the general manager, hired a new coach, signed a new quarterback and traded for extra draft choices. Here it is, the fourth weekend of the season at hand, and the Oilers are 0-3.

"Certainly, it has been a little frustrating," said Coach Hugh Campbell, whose team plays the Falcons

## NFL WEEKEND

in Atlanta, where the Oilers have not won two previous games. "But I've seen a lot of good things happen. In some ways we have shown more promise than I expected. In some ways we haven't. But overall, I think we're headed in the right direction."

Because of the bumpy start, Campbell has begun to wonder how the team might react if the losses piled up. "I've thought about how they would compare the two seasons," he said. "At this point, I'm convinced they know it's different. We haven't been playing sloppy. We're playing with great intensity. Our players have just made some errors, which they can see on the films. If we hadn't made them, we would have had a great chance to win each of those games."

Most of the changes in the team for this season were made in the offense, and it is that unit that has provided most of the hope for a turnaround. Four of the five linemen are new to their positions, including Dean Steinkuhler, the first-round draft choice who is the left tackle, and Bruce Matthews, the first-rounder of last year who was moved from right guard to center. Also, Steve Bryant has replaced Mike Renfro, who was traded to Dallas, at one wide receiver position.

No member of the offense has had a more potentially difficult transition than Moon, who played six seasons in Canada, where the fields are longer and wider, and each team plays with 12 men. Yet, Moon has thrown for 778 yards and three touchdowns, without an interception.

If only the defense had improved at the same rate. The Oilers have given up more yards than all but two teams. It has had trouble stopping the run and putting pressure on the quarterback in passing situations.

"We're playing a little more aggressively than the team played last year," Campbell said. "We're trying to force some offensive errors, which is what we want them to be doing. But at this point, we have been the victim more than the cause of our aggressiveness. Still, I think they're beginning to do the right things. It just takes time." (Atlanta by 3.)

**Chicago Bears (3-0) at Seattle Seahawks (2-1)** — The spotlight will be on the running backs, Walter Payton of the Bears and Franco Harris of the Seahawks. But keep an eye on that Chicago defense. It is the league's best right now, particularly against the run as no team has gained more than 89 yards. The Seahawks may have the best offense the Bears will have faced this season. Defensively, though, the Seahawks may have cause for concern. After leading the Patriots, 23-0, in the first half, they gave up 38 straight points. (Seattle by 3½.)

**Los Angeles Rams (1-2) at Cincinnati Bengals (0-3)** — The Rams lost their starting quarterback, Vince Ferganone, who fractured the little finger on his throwing hand. But judging from how their offense has spluttered, maybe it's not entirely bad that a new quarterback, Jeff Kemp or the newly acquired Steve Dils, will take over for the next few weeks. Either one could not ask for a more accommodating opponent than the Bengals. They played their poorest of three games in losing to the Jets, 43-23. There is hope for the Bengals, in that their offense has generated more than 400 yards each week. But mistakes, like the four interceptions Ken Anderson threw to the Jets, have been too much to overcome. (Cincinnati by 6.)

**Washington Redskins (1-2) at New England Patriots (2-1)** — The Redskins broke their two-game losing streak against the Giants on the same afternoon. The Patriots staged one of the best comebacks in recent years against Seattle. The Redskins have more reasons to be concerned, though; their defense gave up more than 300 yards in passing for the third-straight week, and several key players, including the end Dexter Manley and the free safety Mark Murphy, may miss the game because of injuries. The Patriots have switched to Tony Eason at quarterback. He replaced Steve Grogan in the Seattle game and completed 12 of 22 passes, two for touchdowns. (Washington by 1.)

## AMERICAN CONFERENCE

**Indianapolis Colts (1-2) at Miami Dolphins (3-0)** — The Colts showed character and some degree of offensive potential in a 34-33 loss to the Cardinals. But they might need the perfect game to defeat the Dolphins,

who are thriving without much of a running game. Dan Marino has completed more than two-thirds of his passes and leads the league with 10 touchdown passes. (Miami by 11.)

**San Diego Chargers (2-1) at Los Angeles Raiders (3-0)** — The Chargers' offense seems to be churning at its former high rate of efficiency, as Dan Fouts threw for more than 300 yards for a third-consecutive game in a 31-14 victory over Houston. If he can keep it up, the Chargers have a good chance of breaking a four-game losing streak against the Raiders. The Raiders played haphazardly in defeating Kansas City; they committed 12 penalties and Jim Plunkett threw four interceptions. A decent game by the Charger defense could mean trouble for the Raiders. (Los Angeles by 5½.)

**Kansas City Chiefs (2-1) at Denver Broncos (2-1)** — Despite their record, the Broncos are still suspect offensively, and the Chiefs' defensive front of Art Sill, Bill Maas and Mike Bell is one of the best. They allowed Jim Plunkett so much last Sunday that he threw four interceptions. Similar pressure against the Broncos' offensive line could make it an uncomfortable afternoon for John Elway. (Even.)

**Pittsburgh Steelers (2-1) at Cleveland Browns (0-3)** — The Steelers' offense is improving, and the defense continues to be tough against the run. Not that the Browns can run; they have not cracked 100 yards on the ground yet. If they are forced to pass, that should be just fine with Pittsburgh. The Browns' offensive line has not afforded Paul McDonald enough protection, and he has already thrown six interceptions. The Browns have played well defensively, especially against the pass. If they can bother the Steelers' David Woodley early, they might get their first victory. (Pittsburgh by 2½.)

**New York Jets (2-1) at Buffalo Bills (0-3)** — The Jets' recent victory over Cincinnati was impressive in every aspect. However, the Bills have been a difficult opponent for the Jets, winning six of the last eight games. For them to win this time, the Bills have to play with the same sort of intensity they displayed in the 21-17 loss to the Dolphins Monday night. Against a slightly weaker team, the Bills probably would have won. (New York by 2.)

## NATIONAL CONFERENCE

**Tampa Bay Buccaneers (1-2) at New York Giants (2-1)** — The Buccaneers came along at a curious time for the Giants, who lost last Sunday to Washington. A victory would help them return to the right frame of mind, especially with the Rams and 49ers on tap the following two weeks. But it will not be easy for the Giants. The Buccaneers, who have beaten them in the last two times they played, are a lot like the Giants in that they have a sound defense and are capable of offensive surprises now and again. (New York by 6.)

**Green Bay Packers (1-2) at Dallas Cowboys (2-1)** — Uncharacteristically, the Packers had nothing going offensively against the Bears and lost, 9-7. It was their lowest output in a year. The Cowboys, meanwhile, do not have a defense as good as Chicago's and may not have an offense as good as the Packers'. It may be time to wonder about them. But Lynn Dickey has had two straight bad games and the Packers have only scored one touchdown in each one, both losses. The Cowboys had trouble running in a victory over the Eagles, but Gary Hogeboom was back on target, completing 22 of 40. (Dallas by 6½.)

**Minnesota Vikings (1-2) at Detroit Lions (1-2)** — The Vikings won their first for new Coach Les Steckel last Sunday, 27-20 over Atlanta. The defense had seven sacks and running back Alfred Anderson threw a touchdown pass for the second straight game. The Lions lost for the second time, to Tampa Bay, and had difficulty running. They should have an easier time of it against the Vikings, although the Vikings have tightened up their defense in each of the last two games. If the Vikings continue to do so at the same rate, the Lions may be in for a surprise. (Detroit by 6.)

**San Francisco 49ers (3-0) at Philadelphia Eagles (1-2)** — The Eagles were involved in their third-straight close game, a 23-17 loss to Dallas, and the second one they lost. That was encouraging enough to prompt Leonard Tose, the owner of the Eagles, to "promise" a victory over the 49ers. That's some vote of confidence for a young team, but you never know about these things. The 49ers are a team far superior in talent, but one that has not yet put anybody away, despite its record. And they may have to play without Joe Montana, who has a rib injury. (San Francisco by 5.)

Navratilova Rained Out  
In Bid to Break Record

**UNITED PRESS INTERNATIONAL**  
**FORT LAUDERDALE, Fla.** — Martina Navratilova, bidding for the longest consecutive winning streak in tennis, had her match against 16-year-old Melissa Brown washed out by rain Thursday for the second straight day.

Navratilova and Brown were to try again Friday to complete their second-round match in a \$150,000 tournament. Navratilova was ahead, 4-1 in the first set, but the forecast was for more rain.

Navratilova's anticipated victory over her unseeded opponent will give her 56 consecutive match victories, topping the recently revised record of 55 set by Luis Evert Lloyd. Navratilova, the world's No. 1 woman player, has won the last six Grand Slam events.

The Women's Tennis Association ruled Tuesday that Evert's 56-match streak in 1974 would be reset

French Mare  
In Spotlight  
At Belmont

By Bill Christine  
Los Angeles Times Service

**NEW YORK** — A year ago, Ali Along, a four-year-old filly from France, crossed the Atlantic and within a month defeated male horses in three brilliant races on the grass.

At Woodbine in Toronto she won the International by two lengths.

Two weeks later, in New York, she won by 8½ lengths in Aqueduct's Turf Classic.

Two weeks after that, at Laurel, she easily won the Washington D.C. International, although it was only 3¼ lengths back to the second horse this time.

In sweeping those races, Ali Along upset the calculations of the W.O.A. of London odds figures, earning the \$1-million bonus offered by the three tracks. Those victories plus one in Paris in the Prix de l'Arc de Triomphe earned her the North American Horse of the Year title.

Now, Ali Along is back in the United States. She arrived in New York last Sunday and worked out Thursday in preparation for Saturday's \$400,000 Turf Classic at Belmont Park.

Because of one horse — John Henry — her opposition is more formidable than last year. John Henry, a 9-year-old gelding, has also been a Horse of the Year (1981) and three times the champion U.S. male turf horse.

All Along is considered a mare now; all fillies become mares at age 5. And Saturday she will be asked to top her feats of 1983. Going a mile and a half after a 10-month layoff and a transatlantic airplane trip, and against the ageless John Henry, is a severe assignment.

All Along's owner, the Parisian art connoisseur Daniel Wildenstein, and her trainer, Patrick-Louis Biancone, did not decide to enter her until last weekend, after she showed them in a workout that she was ready to run again. She twice was scheduled to return to the races in Europe but did not make it, and there were rumors that her racing career was over, the rigors of last fall's schedule having taken too much out of her.

One American horseman who does not think Ali Along is in an impossible situation is Mickey Taylor, a partner in Slew of Gold, the winner in last Saturday's Woodward Stakes at Belmont.

"I can't have to understand how differently they train horses in Europe," Taylor said. "They don't pump them. Because their races are long, the trainers work them long distances — a mile and a half and two miles aren't unusual."

"And although Ali Along officially hasn't had a race since last year, she's probably had the equivalent of three or four in training. The trainers race their horses against their stablemates in the mornings, and then they're able to take on the trainer's horses in the yard down the road. They only call them workouts, but they're just as good as the prep races we give our horses for major stakes over here."

All Along might not try for a second straight victory in the Prix de l'Arc de Triomphe next month. The Meadowlands, in East Rutherford, New Jersey, is offering a \$500,000 bonus to any horse who wins both Saturday's Turf Classic and the Meadowlands' \$400,000 race on Oct. 13.

If Ali Along upsets John Henry, Biancone said he might skip the Arc de Triomphe and stay for the Meadowlands race.

Curry, La Rocca Eager  
For WBA Title Contest

By Bill Christine  
Los Angeles Times Service

**MONTE CARLO** — Don (Cobra) Curry is coiled to strike Nino La Rocca, the Italian whom he calls the Carl Lewis of boxing, when he defends his World Boxing Association welterweight title here Saturday night.

But the flamboyant La Rocca, twice denied a crack at the championship this year, has stored up venom on his own for the 15-round bout against the hard-hitting American. Their clash tops a bill on which Richard Sandoval of the United States puts his WBA bantamweight crown on the line against Edgar Roman of Venezuela.

La Rocca knocked out Juan Elisando of Mexico last July after Curry pulled out for the second time, with a viral infection.

"I have one feeling — rage," La Rocca told the French sports daily L'Equipe. "Rage to win. It grows every day. Curry has avoided me for two years. I was only afraid he would slip away a third time."

Curry, defending his title for the fourth time, said: "I have trained like never before to beat the Carl Lewis of boxing. He can run fast but that's all he can do. A ring isn't like an athletics track, and he won't always be able to escape."

"I always said I would take on La Rocca when and where he wanted. I am the champion because I'm the best, and I'm afraid of nobody — especially not Nino."

Curry said that La Rocca was fragile and could not take a punch, recalling his defeat in February by the French European champion.

## SCOREBOARD

## Baseball

## Thursday's Major League Line Scores

AMERICAN LEAGUE	NATIONAL LEAGUE
Chicago 101 010 000 — 4 — 10	Pittsburgh 000 000 — 0 — 10
Minnesota 001 000 000 — 1 — 0	St. Louis 000 000 — 0 — 10
Seaver, Reed (11), Roberts (13) and Hill, Skinner (13); Viola, Hodde (11), Davis (12) and Louder, Reed (13); W-Deane, 7-4; L-Roberts, 3-3; HR—Chicago, Killebrew (11); P-Roberts (2).	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	Seattle 000 000 — 0 — 10
000 000 000 — 0 — 10	Los Angeles 000 000 — 0 — 10
000 000 000 — 0 — 10	San Francisco 000 000 — 0 — 10
000 000 000 — 0 — 10	San Diego 000 000 — 0 — 10
000 000 000 — 0 — 10	



## ART BUCHWALD

## Partying in New Jersey

WASHINGTON — A recent state supreme court ruling in New Jersey has been making life very difficult for people who are giving parties. The court ruled that the party givers could be held responsible if one of their guests left the premises in an intoxicated state and hurt someone in an accident.

The burden on the host and hostess is more than most New Jersey residents can stand.

I attended the 25th wedding anniversary of the Richard Fahey in their home in East Orange last weekend.

There were mountains of delicious food, an anniversary cake and a bar off in the corner.

"Well, Fahey," I said, "this is really a great occasion. I think I'll have a drink."

He looked at me sharply. "How many have you had already?"

"Just one," I said.

He took out his notebook and wrote something in it.

"What are you doing?"

"I'm keeping track of all the guests. Your limit is three," he replied.

"Why three?"

"We checked out all our guests before the party. Reports from Washington indicate three drinks are all you can handle."

"But I'm not drinking. I came with Mike Clark."

Fahey looked in his book. "I'm

glad you told me. Clark is only good for four glasses of wine before he goes blotto. Excuse me. I just saw Dale Denton over there take his second glass of champagne. What kind of party does he think we're throwing?"

I walked over to Jonah Shucknai. "How's it going?" I asked him.

"O.K. I'm leaving."

"So early? We haven't had dinner yet."

"I had two Scotch and waters and Fahey told the bartender to cut me off. I don't intend to suck ice cubes for the rest of the night."

"It must be tough going to a party in New Jersey," I said.

"We had better ones before the state supreme court ruling. You see that beautiful girl over there. I told she got crazy when she has five vodka tonics."

"Well, you're a bachelor. Why don't you get to know her?"

"Fahey won't let her have more than three. So I'd just be wasting my time."

Mrs. Fahey came by. "Is everyone having a good time?"

"She looked in her notebook and said, 'Can I freshen your drink?'"

"I'd rather wait for my last one after dinner," I said.

"That's a good idea. There is no reason to peak too early."

I happened to pass the bar and found Fahey in an agitated state. He was checking all the bottles.

"What's going on?" I asked him.

"My bar inventory doesn't jibe with my records. People have been lying to me on how many drinks they've consumed."

"Relax, Fahey. It's your 25th anniversary."

"That's easy for you to say. You don't have to worry about being sued."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

## Infidelity: How Wives Fight Back

By Georgia Dulles

New York Times Service

NEW YORK — There are only two central figures in the eternal triangle, as Shirley Eskapa sees it: the wife and the other woman. The man, she says, is simply the prize in an extramarital affair.

By writing "Woman Versus Woman" (Franklin Watts, \$13.95), the 49-year-old British author speculates that she is risking the criticism of marriage counselors and feminists. She is probably right. In today's society, she acknowledges, "women are not supposed to fight each other."

Yet, after hearing the stories of 200 wives and 150 other women, Eskapa came away convinced that the war still rages, with or without social approval. Divorce, after all, is no longer a stigma. Extramarital affairs no longer shock. And the other woman, if not condoned, is at least not universally condemned. In the eyes of many wives in the book, the other woman appears to be yet another threat of modern living, like being mugged.

One of the themes to emerge from the author's talks with women in London, Geneva and New York is that even stable marriages are not immune to sexual infidelity.

"The professionals all take the view that, of course, something was wrong with the marriage," Eskapa said recently. "If the woman believed she had a happy, healthy marriage, why, then, something was wrong with her believing it."

Faced with the classic warning signs of an affair — for the wife of a man who wore striped ties, the tipoff was a change in the direction of the stripes between breakfast and dinner — some wives became so immobilized by anger, jealousy or guilt that they unwittingly aided their rivals and eventually lost their husbands. A smaller number of wives welcomed the other woman and a few even reconciled her. Those wives consciously used the other woman to spice up a dull marriage or to free themselves of an unwanted marriage. Once the husband had an incentive for divorce, the wife was able to negotiate a more favorable settlement.

"The awareness of having been used usually comes too late," Eskapa said, "and many a second wife regrets not having seen through the wife."

The vast majority of the women, however, were hardly pleased to have a competitor for their husband's affection. Eskapa reports. They, instead, using a variety of strategies, many of them managed to handle — some might say manipulate — the situation and to win back the husband, at least for the moment.

Some waged silent, secret, defensive wars. Others attacked directly. In all cases in the



Charles Wolfe

book, however, the target was not the husband, but the other woman and the affair itself. Since a man who contemplates leaving home for another woman is in "a crisis of ecstasy," as the author terms it, rational arguments about his responsibilities as a husband or father are unavailing. Emotional pleas only compound the problem because, she says, "the man's dreadful state of conflict and confusion and anguish."

Having a wife and a lover battling over him flustered and excited some men, but most responded to a less direct approach. In this play, the wife presents a calm, tolerant, maternal front. She understands, she still loves him, she will be there waiting when he recovers from his unreason. She does not admit to being hurt and sometimes feigns ignorance.

Once the affair is out in the open, the element of secrecy is lost and hence some of the romance. The tactic is now "to diminish the other woman without diminishing the man," according to Eskapa. One wife packed up her four young children, along with family dog, an untidy Alsatian, and sent them by taxi to their father, who was living with the other woman. In a note, she gave elaborate instructions for the care and feeding of the children, adding that since the other woman had no job she could baby-sit. As for the wife, she left for an extended vacation. After three

weeks, the other woman was snoring at the children, the dog and the husband. "She surrendered unconditionally," Eskapa said. "The wife was as gentle in victory as she had been belligerent in war."

Despite these and other success stories, professionals question the effectiveness of such tactics. They also worry about the impact on the women who use them. Some Miller was among several marriage counselors who said women who deny their feelings about an affair may be damaging themselves.

"This reinforces patterns of submission and the idea that women have to play little games with men," said Miller, past president of the New York Association for Marriage and Family Therapy. "Women have been moving in the direction of being stronger and more assertive about what they need."

Miller said that, in general, wives seem to handle infidelity more honestly and more effectively than husbands. "I'm seeing more and more men in my practice who are having trouble dealing with the other man," she said. "Not that women have an easy time, but the feeling is, 'Well, he's having a fling.' Unless it's serious, the wife often looks the other way. But I have yet to see a man look the other way. They become suspicious, jealous. It damages them irreparably."

## PEOPLE

## Audrey Hepburn, Agent

Long before becoming an international film star, Audrey Hepburn reportedly gave one of her most daring performances playing a carefree girl picking flowers while smuggling a message to an English paratrooper in occupied Belgium. The episode is described in a new biography, "Audrey: The Life of Audrey Hepburn," to be published Oct. 12. According to the author, Charles Higham, Hepburn as a 13-year-old worked against the Nazi occupiers for the underground in her native Belgium. She "skipped through the woods, hearing German voices not far off." When she found the soldier, she slipped the message to him, "then slipped the message through the rocks and skipped off, picking more flowers. As she was walking down a forest path, a German soldier loomed up ahead of her. She smiled sweetly at him and gave him her wildflowers. Delighted at this sign of friendliness, he touched his cap and patted her shoulder, and she stroled off." Hepburn, 55, whose movies include "Love in the Afternoon" and "Breakfast at Tiffany's," did not authorize the book. Macmillan Publishing Co. said.

Pilar Wayne, the widow of John Wayne, plans to become the wife of Judge Stephen C. Stewart on Oct. 6. Mrs. Wayne, an actress, said Stewart, an municipal court judge in Newport Beach, California, is a "handsome, charming and delightful man who shares many of my interests, including a passion for tennis." She had separated from Wayne in 1979, six years before his death in 1979 from cancer.

Princess Caroline of Monaco and her husband, Stefano Casaghi, plan to raise a 15-ton truck in a three-week rally through Paris in January, according to reports from Paris. The newspaper, "L'Equipe," said Caroline, 27, and Casaghi, 23, would drive for the Italian team in the Paris-Dakar rally, which begins Jan. 1 in Paris and runs through the Sahara desert and into African jungles to Senegal. A spokesman for the royal palace in Monte Carlo said Casaghi would compete but "we don't know anything about Caroline going with the rally." Casaghi drove in the 1984 rally. Mark Thatcher, son of Prime Minister Margaret Thatcher of Britain, competed in 1982.

Betty Hutton, whose drug addiction almost killed her 12 years ago, was near tears this week as she received an honorary degree from Salve Regina College in Newport, Rhode Island, where she is a part-time student. Hutton, who achieved fame as a Broadway movie musicals of the 1940s, looked back at her drug problem Wednesday and said, "I tried to commit suicide. It was the end of the line." In Rhode Island, she met the Reverend Peter J. Maguire, who she believes saved her life by giving her faith while she was hospitalized for depression. Hutton said she hoped to graduate from the college and stay on to teach drama.

Patricia Hearst Shaw has given birth to a second child, a daughter, born Wednesday in Yale-New Haven Hospital in New Haven, Connecticut. The daughter of Randolph A. Hearst, the publisher, Shaw was kidnapped by the Symbionese Liberation Army in 1974 and spent time in prison for her part in a bank holdup. She later married her bodyguard, Bernard Shaw. They also have a 3-year-old daughter.

A Riverside County, California, deputy coroner has reported that

## Site in Israel Gives Clue To Progress of Mankind

The Associated Press

HAIFA, Israel — The skeleton of a man thought to have lived 15,000 years ago has been unearthed by archaeologists who believe the burial site contains significant evidence of man's transition from wandering hunter to farmer.

The skeleton, its knees drawn up in a fetal position, was discovered Thursday by a crew at the University of Haifa. A stone mortar, a man-made tool used to grind grain into coarse meal or flour, was found at the top of the skull. Another mortar rested beside the skull.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?" I asked Fahey.

He said in disgust, "They couldn't pass the breathalyzer tests so they're going to have to sit there all night."

Finally dinner was served. Instead of wine we toasted the happy couple with Perrier. I took my final drink for the road and got my coat to leave.

In the hallway I noted several guests sitting in a row of chairs.

"What are they waiting for?"